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THOSE LISTS OF POLICYHOLDERS.

IF the statements of Samuel Untermeyer, attorney, can be relied upon, the international policyholders' committee is making visible progress towards organization. It at least affords Mr. Untermeyer an opportunity for self-advertising, of which he is not slow to take advantage. Scarcely a day passes that the daily papers do not credit him with some outgivings regarding the life insurance companies and what the committee proposes to do regarding them. These notices should be of value to him in securing clients. It frequently occurs that a good cause is injured by the indiscreet statements put forth by some extra loquacious person identified with it. Mr. Untermeyer is, we believe, the immediate if not the legitimate successor of Thomas W. Lawson, the erratic Boston financier, who started to organize State committees of policyholders with the Governors of States at their head, but it soon became apparent that the name of Lawson was not one to conjure with and so he assigned all his rights as an organizer of policyholders. Mr. Untermeyer came to the front as his successor, and he appears to be worthy of the Lawsonian mantle that has fallen upon his shoulders. Without disparagement to the gentlemen who are announced as constituting the committee, it is unfortunate that their spokesman is so fond of newspaper notoriety.

It is understood that the object of the committee is to secure a majority of the trustees of the Mutual and the New York Life at the elections to be held in December next, in accordance with the law passed at the recent session of the legislature. In order to do this, it is necessary for the committee to obtain proxies from the policyholders of the companies, hence Mr. Untermeyer is vociferous in demanding from the companies full lists of their policyholders that they may be communicated with. The new law requires the companies to file such lists with the Superintendent of Insurance by the eighteenth of July, where they are to be held open for inspection for five months. The companies have been at work preparing these lists of names for many weeks, but the task of writing out and verifying the seven copies of lists embracing many thousands of names is one of such magnitude that outside parties had to

be employed to do the copying by mechanical means at a very considerable cost. Mr. Untermeyer is not satisfied to wait for the filing of the lists, but writes to the presidents of the companies demanding immediate copies of them, and the daily papers print his letters. It is not likely that his request will be complied with. The legislature apparently thought that the five months during which the lists must be open for inspection was an ample allowance of time to give to those interested in them.

The law requiring the filing of the lists of policyholders applies to the four mutual companies of New York only, and is a great injustice to them. It gives to their competitors a knowledge of the business of the companies that has heretofore been regarded as of a confidential nature between them and their policyholders. Most men regard their life insurance as a private matter and will not relish the idea of having their names and the amount of their insurance made public. It places in the hands of agents of competing companies a valuable list of names of men to be solicited to change their policies to another company, or in other words it furnishes an opportunity for "twisting" policies that has never before existed or been equaled. Mr. Untermeyer should be satisfied with the privilege allowed him by law and not seek to embarrass the companies by insisting upon advance information.

OPTIMISTIC SAN FRANCISCO.

IMMEDIATELY following the great conflagration at San Francisco the public was treated to vivid descriptions of the wonderful recuperative powers of the enterprising citizens of that city, and how rapidly they would rebuild their wrecked business blocks and palatial residences. We were, in fact, promised that in the course of a few months the entire city would be rebuilt on new lines, and greatly improved and beautified. Indeed, we were treated to a series of illustrations showing how the city would look when the plans of a celebrated architect should be carried into effect. That they were approved and formally accepted we were assured, and so enthusiastic was the tone of these assurances that it seemed almost as though the San Franciscans regarded the earthquake and the conflagration as blessings in disguise.

But a reaction has set in, and the optimists are becoming pessimists, and, after weeks of suffering and distress, are beginning to realize the full extent of the terrible calamity and what it means to them collectively and individually. Before the calamity San Francisco reveled in its wealth and was ready to furnish the means for almost any enterprise, and citizens were abundantly supplied with the luxuries that wealth brings. But in a few moments this prosperous city was mangled and crippled by the earthquake, and fire following fast and furious completed the destruction. Prominent business men saw their property destroyed and themselves reduced from affluence to poverty, and the many multimillionaires saw their palaces reduced to ashes and their income-producing property likewise destroyed. The people did not seem to comprehend how deeply they had suffered, but indulged their dreams of speedy and improved restoration to their aforesaid prosperity.

Having had time to review the situation, they find hundreds of their citizens without shelter and dependent for food upon

charitable organizations, while their former merchant princes are attempting to resume business in temporary quarters that they would heretofore have despised as stables for their horses. It begins to dawn upon them that the funds necessary to rebuild their city are not forthcoming as readily as they anticipated, for the wealth of their fellow citizens having been so greatly impaired they must look elsewhere for assistance in this direction. The insurance companies to whom they looked for speedy payments of their losses are so badly crippled by the disaster, and so many intricate questions regarding liability have arisen, that the adjustment of losses is a long, tedious process, settlements being made more in a spirit of liberality and compromise than in strict accord with the terms of the policies. Capitalists of other localities, having little or no sentiment in the matter, are careful about advancing money for rebuilding the city, but demand security for their loans, and the security was destroyed with the property it is sought to replace.

As a result of this combination of unfortunate conditions, San Francisco is not likely to redeem her promises of reconstruction on improved lines, and for many years to come her business houses are likely to be what are now regarded as temporary quarters, and, instead of a new and beautified city, the stranger will find its streets lined with low, unimposing structures, far inferior to those destroyed. The work of better construction will, with some exceptions, be postponed indefinitely, or until there comes a renewal of the old prosperity for which the city was noted.

THE vast influence which can be wielded by the fire insurance companies, when occasion demands, has been forcefully illustrated during the last few weeks in connection with the insurance of cotton in and near New York city. Because of several successive fires in certain warehouses, the companies canceled about \$20,000,000 of risks, which caused the owners of the warehouses and of the cotton stored therein to sit up and take notice. There was a great scurrying around for insurance, and short rates as high as twenty per cent per annum were offered, without takers. In consequence, owners not caring to carry cotton without insurance protection hastened to dispose of their holdings, or to transfer the cotton to other stores where insurance was obtainable. One prominent operator in cotton publicly announced that he had sold 30,000 bales, because of the lack of insurance. Representatives of the Cotton Exchange and the warehousemen have been in anxious consultation with the fire underwriters, in order to ascertain how conditions could be bettered, so that insurance would again be written on cotton in the stores in question. The insurance companies are frequently criticised for charging rates which are alleged to be too high; but when their protection is withdrawn, and the propertyowner bids ten times the rates previously described as high, but without success, it appears that the bidder recognizes the existence of an actual fire risk, and, apparently, considers it much greater than the usual rates fixed by the underwriters would indicate it to be. Perhaps this object lesson will act as an incentive to proprietors of warehouses, in New York and elsewhere, to so equip their stores with sprinklers, alarms, etc., that they will never be subjected to such difficulties as are now being en-

countered by the stores to which allusion is above made. At any rate, if an underwriter feels convinced that any given risk is destined to burn, there is no reasonable rate at which he can afford to write insurance upon it, and he should keep off.

WHILE the conflagration sufferers in California are clamoring for a settlement of their losses by the recent conflagration and the insurance companies are struggling with the difficult and unprecedented problems involved in the adjustment of losses, the usual number of fires occur daily in other sections of the country that the companies are called upon to adjust and pay. The California losses are estimated at about \$200,000,000, while the annual losses for the entire country average about \$150,000,000, and the companies have the entire year to adjust them by piecemeal. The Californians are not willing that losses shall be investigated, but demand immediate settlement of all claims, good or bad. It is known that many claims presented are excessive and not a few of a fraudulent character, while the tendency to deny earthquake damage, for which the companies are not liable, is almost universal among the claimants. If the situation was to be judged from their standpoint, there was not any earthquake at all, and the destruction of buildings that has been so vividly photographed and widely printed, was all the work of sensational "camera fiends." The fire losses of the first five months of the present year, including the estimated California losses, amount to about \$325,000,000, or a sum equal to the normal losses in the whole country for two years, and the daily destruction of property by fire continues. How the companies are to meet these extraordinary losses is a problem with which they are brought face to face. The condition will force some companies out of business, but the majority of them will pay their losses and continue to furnish indemnity as heretofore. It is exceedingly fortunate that the country is blessed with so many strong, solvent companies, ready to assume in any emergency the responsibility expected of them.

FIRE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

Changes in practice toward city business are slowly developing. The most noticeable changes are in lines on mercantile risks. Some of the largest lines heretofore written by leading English and American companies on stocks are subjected to a fifty, and in a few cases to a seventy-five, per cent reduction, to the dismay of the brokers and their clients. Several of the companies have entered upon a systematic effort to confine their lines on department stores to buildings and fixtures. In the old drygoods district, between Reade and Broome streets, it is now a rare thing to learn of any company accepting more than \$10,000 upon merchandise, excepting in the case of sprinklered risks, concerning which there is a decided preference, as shown in the lines and acceptances. Even storage lines are written upon a much lower scale of lines than formerly. Twelve months ago several English, and at least two American, companies practically had no limit upon storage lines, but now it is different. Companies which used to write \$25,000 to \$50,000 upon binders now write \$5000 or \$10,000, as if they were afraid the risk would burn before night.

The early entrance of the Fidelity into the fire insurance business

here and elsewhere, as an annex of the Continental, is an event of importance, and there is no doubt the company will be a winner from the start. It is not yet clear how far the Fidelity may enter into reinsurance arrangements with the Continental, but we are informed the intention is to operate the company independently, with only such incidental reinsurance as is customary in the business. The example of the German-American and its annex, the German Alliance, is in evidence as one of the underwriting successes of the last decade.

The Liverpool and London and Globe has heretofore been an extensive patron of the reinsurance facilities of this market. Its lines have been large, and its methods of protection of excessive losses through reinsurance well known and understood. Frequently the company gave out its policy for large sums in order to accommodate brokers and establish a foundation for a warranty in London Lloyds. All this, we are informed, is at an end. The experience with reinsurers has taught this company and others that it is subject to many doubts and disappointments.

J. G. Hilliard has declined to serve on the committee on losses and adjustments, to which he was re-elected by the Board of Underwriters in May. It appears that he resigned prior to the election, but his resignation was not accepted because there was no meeting of the committee. Since his re-election, Mr. Hilliard has reaffirmed his desire to be relieved of the service, and a committee has been appointed to nominate his successor.

We understand there are a respectable number of adjustments of San Francisco losses being disposed of finally in this city on behalf of companies which had no direct representation excepting in the adjustments. The North River, Nassau, Commonwealth, United States and others are among the companies interested.

The American Exchange Underwriters, which began the business of inter-insurance upon sprinklered risks only, now has an underwriting capacity of \$60,000, and the names of several additional subscribers have been proposed. This is one of the signs of the tendency of fire insurance which should not be underrated.

The New Jersey and the Cosmopolitan are now accepting business in this city, writing lines of \$10,000 and \$7500 each upon brokers binders. The brokers are glad to get these policies.

There was a lawsuit recently against the Empire Bag Company by the receiver of the Atlas Mutual. The issue was formed, witnesses summoned, and the date of trial fixed in one of the uptown magistrate's courts. When the witnesses were ready and it was supposed the trial would proceed, the claim was settled, so the suit was called off. We are informed by the attorneys that all of the forty Atlas claims upon New York policyholders have been paid but two, and it is believed these two will be speedily settled. To the credit of the receiver, let it be said, the loss claims against the company have been paid to the amount of ninety per cent, and the cash on hand will suffice for a final dividend of ten per cent more. This breaks the record for out-of-town mutual settlements of New York losses after a conflagration.

At a recent special meeting of the stockholders of the Hanover Fire, it was voted to increase the capital of the company from \$500,000 to \$1,000,000. The new stock will be issued at 150 and will add \$750,000 to the assets.

Weed & Kennedy have resigned the Metropolitan district agency of the Insurance Company of the State of Pennsylvania.

Lewis & Frear have been appointed managers of the Insurance Company of the State of Pennsylvania for the borough of Brooklyn, excluded listed storage stores, and the balance of Long Island.

The report of the new committee on fire prevention covering the fire protection and water supply conditions obtaining in Brooklyn and Queens shows a rather serious situation. The distribution system is found to be deficient, but the fire department and alarm system are held to be fair. With regard to the danger from conflagration the engineers consider that although the liability of a sweeping fire throughout the entire city is remote, owing to the city consisting of several separate congested values districts, severe local conflagrations are not only possible, but probable.

CHICAGO AND THE WEST.

Recriminations between Mayor Dunne and the Chicago Board of Underwriters, arising from the removal by the mayor of Fire Chief Campion and the substitution as acting chief of Captain McDonough, have of late advanced to the point where an advance of ten per cent in fire insurance rates is threatened on one side as the result of the mayor's "contumacy," and criminal prosecution of the officers of the board of underwriters is being considered on behalf of the administration. How the controversy will end, no one can predict at present, except that it seems probable that Campion will not be reinstated.

It is not unlikely that one of the stiffest legal battles in the history of American insurance companies will be waged to force the Traders Insurance Company of Chicago to pay its San Francisco losses in full. Attorney Campbell, of the legal firm of Knapp, Haynie & Campbell, which has been retained to represent the interests of the Western claimants in Chicago, has stated that no stone would be left unturned to secure such an adjustment of the claims, the plan apparently being to make a simultaneous attack upon the receiver and directors of the defunct company. So far as the receiver is concerned, the attorneys' efforts probably will be limited to seeing that their Western clients are permitted to file the necessary proofs of loss, along with a close investigation of court orders issued from time to time at the request of the receiver in the process of liquidation. The contemplated action, so far as the stockholders is concerned, is based on the California statute, which holds the stockholders of all corporations doing business within the State, whether native or foreign, responsible for losses. A nice construction of law is involved in the legal construction of this point, it being contended by the defense that the State cannot make a contract for others, and that therefore the statute is not binding upon foreign corporations. The reply to this argument is that the individual stockholders made the contract when they elected to transact business in California, being aware of the operation of its law governing such companies. It seems probable that the Supreme Court will be asked to pass upon this question.

Increases in rates on the unprofitable classes ordered by the governing committee of the Western Union and promulgated in the compact territory of Illinois last week are rapidly being put in force all over the field, the Illinois State Board and the Illinois Field Club acting in co-operation in applying them to the rest of the State under their control. The proposed increase on packing houses has been delayed in order to permit of further segregation of the figures on the class, attention having been called to the fact, after the increase was announced, that packing house rates had been advanced several years ago and that a fair criterion might not be afforded by the premiums covering the five year period. Action on that class will be postponed until the companies can furnish their own premiums and losses by years, by way of determining whether the rates have been increased since the advance.

BOSTON AND VICINITY.

The marine underwriters are in accord with the recommendation of the Governor's special commission, to change from sixty to fifty per cent, making the reserves, in the case of marine risks, uniform with the laws of nearly all other States.

A curious and rather complicated case in marine insurance has just been settled in the British House of Lords, sitting as a court of last appeal. The Boston Fruit Company chartered the "Barnstable," a British steamer, and while under charter she ran down and sank another vessel, the owners of which sued the owners of the "Barnstable" and recovered judgment for the accident. The latter then sued the Boston Fruit Company for the amount of judgment, and the United States Supreme Court decided in their favor. Then the Boston Fruit Company entered suit against the owners of the "Barnstable" in the British courts for the amount, and it was this case that has just been finally decided in the House of Lords—the Boston Fruit Company losing.

The Boston Board of Fire Underwriters has refused to repeal the recently promulgated fifteen per cent advance, despite the conference between the executive committee of the board and the merchants.

The mercantile interests wished to secure, at least, a modification, especially with relation to sprinklered risks and buildings of fireproof construction. The board takes the stand that the advance should be universal, commercially.

The board has laid on the table the proposition that East Boston, South Boston, Charlestown and a part of Roxbury be included in the definition of "city proper." The plan had much significance, for the general advance of fifteen per cent is prescribed for the city proper. Under this ruling the above named sections are exempt, at least, for the present.

The New England Insurance Exchange has referred to a future meeting the proposition to fix new rates for the Exchange territory.

The amount of the advance was 25 cents, but the report of the executive committee recommended a reduction of 5 cents from this, making a charge of 20 cents flat increase to cover the conflagration area of the various cities and towns in New England that have been reported upon unfavorably by Exchange inspectors.

Circulars have been issued, announcing the promulgation of the advance as agreed upon, covering the following Massachusetts towns and cities: Waltham, Lynn, Lawrence, Quincy, Milton, Pittsfield, Lowell, Haverhill, Somerville, Chelsea, Fitchburg, Leominster, Woburn, Stoneham, Cambridge, Springfield, Worcester, Salem, Brockton, Fall River, Malden, New Bedford, Taunton, Cape Ann, Holyoke, Everett, and the Northern Berkshire district.

The many friends of President R. B. Fuller, of the Boston Insurance Company, who has been ill, will be glad to know that he is rapidly recovering.

George I. Parker, Providence, R. I., has been appointed general manager of the New Jersey Fire.

NOTES FROM PHILADELPHIA.

The minority stockholders of the Insurance Company of the State of Pennsylvania, headed by President John Welsh Dulles, who have been opposing some of the changes planned by the Muir & Haughton interests which are in control, have come to an understanding which, it is said, includes the purchase of their stock by the Muir & Haughton people, and the payment of a considerable sum to Mr. Dulles for the relinquishment of his contract as president of the company, which still had some time to run. Under the arrangement Mr. Dulles resigned last week, and immediately set about forming a new company, to be known as the Merchants Fire Insurance Company of Pennsylvania. In this enterprise also are Charles Platt, Jr., and Jacob S. Waln, of Platt, Yungman & Co.; Robert Wetherill and H. C. Dulles. The company will have a capital of \$200,000 and a surplus of \$300,000.

William Muir, president of the Union Insurance Company, succeeds John Welsh Dulles as president of the Insurance Company of the State of Pennsylvania, and the plant of the latter company will shortly be removed to the Union building and the two companies conducted under the same official staff.

The capital stock of the United Firemens has been increased from \$300,000 to \$400,000. The new stock is being issued at \$20, instead of \$10, the present par value, thus adding \$100,000 to the company's surplus.

Joseph Singleton of the A. M. Waldron agency, who was the counterman for many years, died of tuberculosis on Tuesday of last week.

R. Emory Warfield, as manager of the Philadelphia department of the Royal, and James W. Howie, as general adjuster, both severed their connection with that office on Saturday last, and left to take up their new duties with the Hanover Fire of New York, of which Mr. Warfield is president. Dating from July 1, the States of Virginia and North Carolina were detached from the Philadelphia department of the Royal and attached to the Atlanta (Ga.) department under Manager Milton Dargan.

Recent agency changes are as follows: Platt, Yungman & Co., ap-

pointed for Virginia State; W. Bennett Gough, for Guardian Fire; Thomas McIlwee, for Petersburg Savings and Insurance; Chas. Tredick & Co., for Hamilton; Jas. S. Ifill, for Standard Fire; Stone, Matthews & Co., for New Jersey Fire. Wm. L. Bradway ceased representing the Armenia; Jas. S. Ifill, the Petersburg; Arnold & Wannemacher, the Armenia; Thomas McIlwee and Chas. Tredick & Co., the Security of Baltimore.

The Fire Association of this city reports that out of its 1200 claims due to the San Francisco conflagration, over 400 have been adjusted and paid.

The death on Thursday last of George G. Crowell, the prominent insurance agent and broker, came as a great shock to his many friends, who, although they had known of his illness, had been expecting his speedy recovery; an unexpected hemorrhage, however, brought about his sudden death. Mr. Crowell was a son of the late William G. Crowell, secretary of the Pennsylvania Fire, and a brother of the present secretary, W. Gardner Crowell. He was with the Pennsylvania from 1868 to 1873, secretary of the Lumbermens from 1873 to 1886, and president of the Insurance Company of the State of Pennsylvania from 1886 to 1901, when he entered the agency and brokerage field. He was a member of the executive committee of the Philadelphia Fire Underwriters Association for several years, and its treasurer as well as that of the Philadelphia Suburban Underwriters Association at the time of his death.

The Jefferson Fire has appointed J. J. Campbell of Scranton as special agent for Pennsylvania and New York.

E. A. Waldron, formerly in charge of the agency of his brother, A. M. Waldron, has entered the general brokerage business on his own account at 504 Walnut street.

The managing committee of the Philadelphia Suburban Underwriters Association rules that the ten per cent advance cannot be added to any previous advance as follows: 25 per cent advance of 1902 plus 10 per cent advance of 1906 = 35 per cent advance, making a \$1.00 rate \$1.35, but must be applied \$1.00 rate plus 25 per cent = \$1.25 plus 10 per cent = \$1.37½. The Philadelphia Fire Underwriters Association rules the opposite way.

James S. Ifill has been appointed second agent of the Standard Fire of Trenton.

THE MIDDLE STATES.

Fidelity Fire of New York.

The Fidelity Fire of New York has been authorized by the Superintendent of Insurance of New York State to commence business. The officers are: Henry Evans, president; Geo. E. Kline, first vice-president; Edward Lanning, second vice-president; Joseph Lopez and Edward L. Ballard, secretaries; C. R. Tuttle and James A. Swinnerton, assistant secretaries.

—The Pittsburg of Pittsburg has declared a semi-annual dividend of eight per cent, and the Western of Pittsburg its usual semi-annual of three per cent.

—A syndicate comprising prominent stockholders of the National Union Fire of Pittsburg has subscribed to an agreement guaranteeing the payment of an assessment of \$140 per share on the capital stock of the company, which will provide the sum of \$1,050,000. The assessment will be levied forthwith.

—At a recent meeting of the stockholders of the Assurance Company of America the capital was reduced from \$400,000 to \$200,000. It is stated that now, after fully providing for every loss sustained by the company in San Francisco, it will have a net surplus of \$100,000.

—The National Board of Fire Underwriters, by its Committee of Twenty, has compiled and published an exhaustive report on the fire protection of the boroughs of Brooklyn and Queens. The arrangement of the report is as follows: Civic affairs, area, population and growth, principal industries, topography, streets, fuel, winds, temperatures, fire record, water supply, fire department, fire alarm system, fire department auxiliaries, building department, explosions and inflammables, electricity, congested value district and conflagration hazard.

THE WEST.

—The Colonial of New York has entered Indiana. John Naghton & Co. of Chicago will be general agents, and R. H. Mceker, special agent for the field.

—It is announced that the differences between John R. Waters, attorney for the Individual Underwriters of New York, and Arthur Hawxhurst, insurance manager for Marshall Field & Co. of Chicago, have been settled before a board of arbitrators of three persons. To Mr. Hawxhurst was awarded all he asked for, viz., full pro rata return premiums with interest from November 13, 1905, and Mr. Waters settled in accordance with this verdict.

—R. S. Critchell of the Chicago fire insurance firm of Critchell, Miller, Whitney & Barbour was terribly injured in the English railway accident on Sunday last, and it is feared that he cannot survive. Mr. Critchell is about sixty-two years old. He was born in Glastonbury, England, and when a boy moved to Rochester, N. Y., and later to Cincinnati, where he was employed in the office of the Home of New York. In 1860 he went to St. Louis, Mo., in the service of the Home, and in 1862 became connected with the Cincinnati office of the Aetna of Hartford. After serving in the United States Navy during the war as a junior officer, Mr. Critchell became special agent for the Home in the Southwest. Later he went with the Phenix of Brooklyn, in 1868 becoming its Western special agent, resigning in 1874 to give his whole time to the local agency of R. S. Critchell & Co., which he had started some years earlier. This agency was, a few days ago, consolidated with another under the firm name first mentioned above.

THE NEW ENGLAND FIELD.

—The directors of the Phenix of Hartford have decided to omit the usual July dividend.

—John E. Leffingwell, for many years president of the Farragut Fire of New York, died recently at his home in Colechester, Conn., at the age of eighty-five.

—From July 15, Charles H. Hoxie will become New England special agent of the Security of New Haven, with headquarters at Boston, succeeding James W. Hemmingway, resigned.

—At a special meeting of the stockholders of the Hartford Fire it was unanimously voted to issue 7500 shares of new stock of the par value of \$100 a share, increasing the capital from \$1,250,000 to \$2,000,000. The new stock will be delivered in January next.

—The Haverhill (Mass.) Board of Underwriters recently adopted by a unanimous vote at a full meeting the following resolutions: "That the present conditions do not justify a rate advance within its jurisdiction, and that as the fire companies have lost severely on account of the San Francisco conflagration, it is recommended as a means of saving money in the transaction of business that the New England Insurance Exchange be amalgamated with the New England Bureau of United Inspection and the Underwriters Bureau of New England.

THE SOUTH.

—The outstanding risks of the Atlanta-Birmingham Fire have been reinsured in the Prudential of Tazewell. The former company will not cease business, but will confine its operations to more limited territory. The home office of the Prudential is to be removed to Atlanta, and its capital and surplus increased to \$750,000.

MISCELLANEOUS FIRE NEWS.

San Francisco Conflagration Developments.

The Fire and Earthquake Policy Enforcement Association of San Francisco has been incorporated with a capital stock of \$75,000 in \$100 shares.

It is reported that the Eagle Fire Company is issuing cancellation notices on California business.

One hundred policyholders, representing about \$300,000 of insurance in the North German of Hamburg, have formed a protective association.

The "earthquake clause" policyholders of the Williamsburgh City Fire, which company has declared its refusal to pay losses on earthquake policies, are attempting to form an organization for mutual protection.

The Policyholders Protective League has been organized to enforce fair treatment from all insurance companies. Over \$100,000,000 of insurance is represented in the league. Colonel H. Weinstock has been elected member at large. The following resolution was adopted at the organization meeting:

The league is to be managed and controlled by the commercial organizations of San Francisco; that a fund shall be created to carry out the purposes of the league, not to exceed one per cent of the face value of the fire insurance policies represented, to be called for in installments

not to exceed more than one-fifth of one per cent of the face value of policies; that membership in the league shall be opened to all fire insurance policyholders.

Eleven trustees who have been agreed upon for the league represent about \$30,000,000 in fire insurance.

The German of Peoria announces that all reports and rumors that it is to retire from business are absolutely false. The German's adjusters will remain in San Francisco until all the company claims have been paid in full.

The action of the San Francisco authorities in reducing the appropriation for the fire department to \$750,000 a year, is meeting with serious complaint.

Rudolph Herold, Jr., Pacific Coast general agent of the Hamburg-Bremen Fire, has severed his connection with the company.

C. F. Mullins, Pacific Coast manager of the Commercial Union of London, recently published the following advertisement in the San Francisco papers:

I am in receipt of a cable from the home offices of the above-named companies to the effect that the directors of said companies are legally advised that if claims for which said companies are not liable are paid said directors will incur liability of a serious character. All these companies have the earthquake clause in their policies, and have heretofore neither admitted nor denied liability, pending the receipt of advices from the home offices. These advices are construed as meaning that the companies will deny liabilities.

General Manager E. Roger Owen of the Commercial Union and O. Morgan Owen, joint assistant secretary of the Alliance Assurance, have sailed from London, and expect to reach San Francisco about the fifteenth.

Approximately, total losses have been found on the plant of the Cordes Furniture Company, insured for \$56,000; that of Red Men's Hall Association building, 220 Golden avenue, insured for \$50,000, and that of the store of Goldberg, Bowen & Co., 426 Pine street, insured for about \$200,000. The Bulletin had insurance amounting to \$145,000 on their property at its place of publication, and it is reported that its claim has been adjusted on a total loss basis. The adjustment of the loss of The Examiner, the insurance being \$300,000, is about completed. One of the heaviest losses by fire is that of the firm of Levi Strauss & Co. It carried \$70,000 insurance on its warehouse and \$225,000 on its Battery street store. The adjusters agree that in this case there has been practically a total loss. The claim of the Williams-Marvin Company, boots and shoes, has been settled on a total loss basis, insurance amounting to \$250,000. The St. Francis Hotel loss has been settled for about \$810,000.

Robert P. Fabj, general agent of the Firemens Fund at the home office, has resigned.

Insurance Commissioner Wolf of California has issued a warning to dishonest claimants, in which he says that complaints, so backed up by proofs that they cannot be questioned, of policyholders who are inflating the values of their destroyed property, have been filed in his office. The Commissioner appeals for honesty in presenting claims for insurance.

An Insurance Romance and a Miracle.

In a private letter from the gentleman who has charge of placing the insurance upon "The Carlyle's House Memorial," at Chelsea, London, the following interesting story is told:

Here is now something of modern romance and a miracle, and as both are rather rare things, you shall have the story in detail.

Ten years ago or rather more, when the temporary insurance that had been effected upon the property during the transition time (when it was being transferred to the trust) had expired, I consulted an old colleague as to where we should insure in the ordinary way. He suggested a septennial policy in the Westminster Fire Office. Taking out such a policy necessitated a considerable immediate outlay; that is to say, considerable for us (£8 to £9); but as our friend pointed out that a septennial policy carried certain advantages, I consented, and the policy was duly taken out. When it expired, three years ago, the renewal for another seven years amounted only to a little over £1; that is to say, for a payment of from £9 to £10, we effected insurances for fourteen years on £1700, which is, of course, a good deal more than the bricks and mortar are worth. Last July there came to me lengthy documents by which it appeared that the Alliance Insurance Company was a kind of whale and the Westminster Company a modern Jonah. But for the head of the whale being unquestionably Lord Rothschild's, I should have been rather afraid. Eleven months later the swallowing took place, and in due time the Westminster reappeared, enlarged and beautified.

To stop this figurative manner of speech, the end of the matter is that for the above mentioned payment of from £9 to £10, we have received policies covering a total of forty-two years, the two old septennial policies, and a policy for twenty-eight years in addition, and we have received in cash £39 15s. 10d. I do not pretend to understand the business, but I know that I owe our friend a blessing for his advice of ten years ago; I bless Lord Rothschild, and I congratulate the trust on this extremely useful present in cash.

Opinions of an Adjuster at San Francisco.

An officer of an Eastern company which favors the settlement of each loss at San Francisco on its merits, but whose adjuster voted with the 75 per cent settlement companies, has received the following letter from its adjuster, explaining his attitude upon the proposed 25 per cent deduction:

In answer to your inquiry how we are arriving at a settlement at 75 per cent or 80 per cent and as to the attitude of the claimants in accepting this settlement, will say—as you have already been advised from different sources of the multitude of questions involved and arising in the settlement of these losses, you can probably realize the impossibility of arriving at the facts or even the equities of the case.

After considering the matter from every standpoint, considering the rights of the claimants and the rights of the company, and taking into account the destruction of the water protection; the fact that the main supply pipe was immediately broken by the earthquake, leaving the city fire department practically worthless after they had pumped out of the mains the small amount of water that was contained in them; after considering that there were scores of stocks which were removed or looted, where we are unable to get this information; after considering the fact that there was a very destructive earthquake in San Francisco, in the face of the persistent statements of the claimants that the particular building which they owned or in which they were located was the one which had sustained absolutely no damage; after taking into account the multitude of claimants who will be unable to show in a businesslike way their losses; after taking into account the absolute impossibility of getting at the facts in connection with all these features which, under ordinary circumstances, would entitle the company to a large salvage under their policies, I became firmly convinced that there was only one equitable method of disposing of these claims, and the method was to do the "greatest good to the greatest number." My opinion of the situation is that it is absolutely impossible to do exact justice to the company and to each individual claimant. Each claimant is inclined to believe that it is perfectly right to apply the terms of the contract to his neighbor, but that they should be waived as to himself.

To my mind, the situation is of too much magnitude to be considered upon the merits of any one or any number of individual cases. It has gone beyond the individual, and should be considered from the standpoint of a committee of the whole. In other words, after the insurance companies have poured into San Francisco, as a whole, every dollar that they should legally and morally pay, they have discharged every legal and moral obligation that any reasonable man or community could ask.

The disposition of the losses upon this basis almost compels a reduction from the face of each and every policy. In doing this, it may be that some people will feel, and possibly they are justified in feeling, that they have been wronged and not paid what they are entitled to. On the other hand, we are going to pay losses where we are convinced that the assured had no legal claim against us, and where, if we applied the contract strictly, there could be no collection, and, taking all these questions into account, we believe that upon this basis we will do justice to the community as a whole as nearly as it is possible to do.

The effect upon our claimants upon this method of settling is reasonably satisfactory. In fact, where we have settled and have paid claims, the claimants have expressed their entire satisfaction at the result. The only complaints that we are having are from people who have not as yet settled, but who are insisting upon the full amount of the policy, and, of course, are endeavoring to bring every pressure to bear to force us to pay upon the basis of the face of the policy.

We are not taking the position that we will not pay the full amount of the policy. Our attitude at this time is that if the assured is desirous of getting his loss settled at once, that it can only be done upon a compromise basis.

LIFE INSURANCE TOPICS

NEW YORK.

The Life Underwriters Association of New York has under consideration an outing, to be held some time this month.

The New York Life's new commission contracts provide for forty per cent on new business, and renewals of five per cent for nine years.

At the Yale commencement held on June 27, an honorary degree was conferred upon George Edward Ide, president of the Home Life of New York. Mr. Ide is a graduate of Yale University in the class of 1881. In 1890 he became associated with the Home Life as its secretary, and has since risen to the presidency.

The Plaza Operating Company, which owns the New Plaza Hotel, has borrowed \$5,000,000 on that property from the Metropolitan Life, the loan to be for five years at five per cent. Another large mortgage has just been recorded, that of \$1,100,000, incidental to the sale of the building at 135 Broadway by the Trust Company of America to the Title Insurance Company of New York.

Stanford White, the architect, who was murdered in the Madison Square Roof Garden last week by Harry K. Thaw, the young millionaire of Pittsburg, had \$200,000 insurance upon his life in the Equitable. It is said that he carried as much more in other companies, and that all named Mrs. White as the beneficiary.

The Equitable's managers met recently to rearrange the scale of compensation of agents. Under the new terms of compensation, agents will receive fifty per cent of the first year's premium, and the renewals have been cut to five per cent for nine years, as required by law. The net result is a reduction in the agent's compensation of

about twenty-five per cent, and it is expected that this will be partly made up by better and cleaner competitive methods to be followed in getting new business.

BOSTON AND VICINITY.

The life insurance managers in Boston pronounce the report of the special commission appointed by Governor Guild as in every way fair. The recommendation of the commission to abolish deferred dividends was not a surprise, for it was expected; as was also the proposal that companies be required to furnish gain and loss exhibits. The suggestion that a State board of auditors be appointed is regarded as an excellent one, as it will not only relieve the Insurance Department examiners, but tend to bring about a more uniform method of accounting.

The commission does not believe it is wise to restrict, by law, the services by directors of a life insurance company upon boards of other corporations, and this has the endorsement of the life insurance managers.

The commission expresses loyalty to its own State, which is not considered incompatible with fact, when it recommends that, as a precaution and not because conditions in Massachusetts require it, investments in the stocks of any one company be limited to ten per cent of the capital of such company.

The commission very plainly expresses its opposition to the annual distribution of all the surplus, holding that to do so would, in the case of shrinkage in values of investments, impair a company; neither does it advocate the distribution, every year, of an amount equal to one or two per cent, say, of the reserve liability.

It is believed that Governor Guild will recommend for enactment the changes in the laws suggested by the commission.

The twenty-eighth annual convention of the Ancient Order of United Workmen was held in Boston the past week. The chief bone of contention was the question of rates. One faction believes the rates should be increased in order to provide for a large reserve fund, while the other holds that the membership is sufficient to keep the order going without a reserve fund. The membership January 1, 1906, was 29,618, of which 27,850 were in Massachusetts. The estimated revenue of the ensuing year is \$34,000, of which \$30,000 is from the per capita tax.

Insurance Commissioner Cutting, who has been ill at his home several months, is steadily recovering his health, and his many friends hope to see him again in his office at the State house before very long.

NOTES FROM PHILADELPHIA.

The Philadelphia Life has appointed Joseph H. Copeland general agent for the State of Maryland.

Manager Joseph C. Staples of the Pacific Mutual Life is wearing a pleased look these days, no doubt due to the recent advent of a daughter in his family.

The Keystone Bonding Company has elected Gabriel P. Callahan assistant secretary. Mr. Callahan comes from the Metropolitan Surety, but was formerly connected with the City Trust and Surety.

The annual meeting of the Penn Mutual Agency Association was held at the Marlborough-Blenheim, Atlantic City, last week, beginning Wednesday. The Armstrong insurance bill was the main topic of discussion, and the tenor of remarks indicated that conservatives were in a large majority. It was finally decided to postpone action on the measure until after the annual convention of the Insurance Commissioners, which will be held in Washington, D. C., in September, when it is expected that full reports on the effect of the bill will be received and action taken in the name of all the insurance interests affected by its provisions. Reports from all over the territory covered indicated that increased business had been done by the company. Officers elected for the ensuing year were as follows: President, Colonel Frank Markoe; first vice-president, J. A. Golden of New York; second vice-president, William M. Bunting of Boston; secretary, James G. Biggert of Pittsburg; assistant secretary, J. W.

Iredell of Cincinnati; treasurer, J. E. Durham of Philadelphia. President Harry F. West, Agency Manager Lippincott and Actuary Barker of the company were prominent among the guests of the agents.

The Bankers Life of New York has appointed Doty Bros. managers for the State of Pennsylvania. Fred D. Doty of the firm, president of the Pennsylvania Endowment Bond Company, formerly represented the company in this State. Bonds and insurance policies will be issued together by the two companies, so that if a bondholder dies the face of the bond will be paid in cash by the Bankers Life.

The May edition of The Agency Bulletin of the Union Central Life contains the following: "Manager Blair T. Scott of the Philadelphia department, has an agent, Robert Morris, who is a great-great-grandson of Robert Morris, of Revolutionary fame. He insured Philip Livingston Poe of Baltimore, a grand nephew of Edgar Allen Poe, for a large policy. Four of Mr. Scott's agents were on the 'Fifty Leading Agents' list for April. He has identified with him a lot of Philadelphia's best-known young men, who are making the name of the Union Central favorably known in the city of brotherly love.

The National Surety of New York, through Thomas B. Smith, its representative here, has issued the bond covering the construction work of the subway for the Philadelphia Rapid Transit Company on Market street, between Juniper street and the Delaware river. The Millard Construction Company have the contract for the work, which it is estimated will cost about \$2,000,000.

On July 1, D. A. Keyes will retire from the firm of Keyes & Glenn, State agents of the Mutual Benefit Life, and J. H. Glenn succeeds to the management as State agent of the company for Eastern Pennsylvania.

Following the action of the Travelers in discontinuing the writing of employers' liability policies on coal mines in Kentucky, and the canceling of all such policies except those expiring in the very near future, has come the offering and placing of several of these lines in Philadelphia, where many of the mines are owned and controlled.

F. A. Pearl, of Pearl & Ludlow, Philadelphia managers of the accident branch of the Travelers, and Lincoln K. Passmore, second vice-president of the Penn Mutual Life of this city, both left last week for a European tour.

The Indiana and Ohio Live Stock of Crawfordsville, Ind., has appointed E. G. Roberts of Pittsburg State agent for Pennsylvania. Mr. Roberts is also the resident manager of the Title Guarantee and Surety.

THE MIDDLE STATES.

—The United American Life has been licensed by the Pennsylvania Department to write life, accident and health insurance.

—The Pittsburg Life and Trust has decided to leave its schedule of first-year commissions as it is, but will reduce the second year's renewal to five per cent. It is now ten per cent.

—The Knights of St. John and Malta held a convention in Buffalo last week and agreed to an advance in rates. The increase will amount to at least twenty-five per cent for all members, and some will have to pay more than that.

—The Mutual Benefit's general agency of Day & Cornish, which embraces Newark and contiguous territory in New Jersey, did not have a single policy lapse during the month of May, although it has a very large amount of insurance in force.

—The New Jersey legislative investigating committee will begin holding a series of meetings in the Senate chamber at Trenton on July 9. David Parks Fackler, the actuary; David O. Watkins, the New Jersey Commissioner of Insurance and Banking, and the presidents of several New Jersey insurance companies, will give testimony.

—A warrant has been issued for the arrest of W. L. May, Pittsburg manager of the Fidelity Mutual Life, on information furnished by County Detective Robinson, on a charge of rebating. It is alleged that he rebated \$100 on a policy taken out March 23 of this year by John C. Simm for \$10,000, with a premium of \$456.80. This is the first case that has been brought to light since the Pittsburg managers entered into an anti-rebate agreement last December, and subscribed a fund to prosecute any cases that were brought to the attention of John Marron, an attorney, who was retained for that purpose.

—The Travelers has opened a medical department in Chicago for the passing of Western claims, and R. H. Davies, an assistant medical examiner at the home office, has been transferred to Chicago.

THE WEST.

The Iowa Investigation.

The Iowa insurance commission, authorized to investigate all companies doing an insurance business in that State, will not be likely to go outside of the domestic companies in its inquiry. The commission's time and money is limited, and therefore this course is likely to be pursued. Three companies have been examined, the American Life, Central Life and Equitable Life of Iowa and the Limited Term Life Association. The Des Moines Life was to have a turn last week. In the examination of the American, it developed that commissions from fifty to ninety per cent were paid to agents for new business, and renewals amounted to seven and a half per cent, and in some cases ran for nineteen years on twenty-payment life policies. In defense of these high commissions J. C. Griffith testified that a small company had to pay them to compete with the large Eastern companies. The renewals ran for five, ten, fifteen and nineteen years, the latter period maintaining in case an agent remained with the company and wrote a specified amount of business. Auditor Hineman testified that twenty-five per cent of the business was on this nineteen-year basis, and half of this twenty-five per cent was on the basis of ninety per cent for the first year. The highest salary paid any officer was reported to be \$150 a month, and the expense loading on the policies is twenty-two and a half per cent. Mr. Hineman testified that the anti-rebate laws marked a greater hardship on the home companies than on the Eastern companies, which had means to evade them.

Mr. Griffith testified that if only annual distribution policies were issued, it would be impossible for small companies to organize or make much progress, because the large companies would be able to make a better showing. The smaller companies, he said, require policies on the deferred dividend plan in order to maintain sufficient surplus.

Vice-President Haines said that forty per cent of the company's business lapsed after the first year, largely because of the twisting methods in use by agents of larger companies.

President Peak of the Central Life said that seventy-five per cent was the highest commission paid agents for new business, and that practically none of the company's business was on the annual distribution basis, but the demand for this class of policy was increasing. The examination of the Equitable revealed nothing of importance.

The Wisconsin Investigation.

State agents of four companies are to be examined as to rebating practices. The companies to be probed in this connection are the Northwestern Mutual, Federal Life, Minnesota Mutual and Security Trust and Life. The advisory board contracts of these companies and those of the Conservative Life are to receive attention. The testimony of J. C. Crawford, actuary of the Northwestern Mutual Life on June 26, showed that the company's method of paying dividends is to keep a large surplus fund, by which dividends are kept level, or nearly so, thereby not showing the fluctuation in earnings.

Attorney-General Sturdevant has officially notified Insurance Commissioner Host that it is not his duty to revoke the license of the Mutual Life Insurance Company of New York. He believes that the legislative investigating committee will recommend legislation to more clearly define the duties and obligations of such corporations as the matter of properly construing the law as to deferred dividend policies.

On Wednesday, of last week, Actuary Crawford of the Northwestern Mutual admitted that surrender charges differed greatly. This, he said, was caused by the character of the risks involved, and the charges were worked out by fixed methods based on experience and mortality tables; that these methods were not all theoretically scientific, but were the best thus far devised. He said the system of loading policies to cover first cost of business was unscientific, but like the surrender charges, was the best known at present.

On Thursday, when the rebating charges were taken up, several witnesses refused to answer questions, on the ground that it might tend to incriminate them.

George B. Mayer, president of the Mayor Boot and Shoe Co., Otto W. Pagel, cashier of the Pritzlaff Hardware Company, and William P. Jahn were the witnesses who declined to tell whether they had received money or other valuable returns on policies they had taken out or negotiated. Mr. Pagel had been a sub-agent, employed by the assistant general agent of the Northwestern Mutual.

The following interview took place:

"Did you write a policy for Fred C. Pritzlaff?" asked James L. O'Conner, attorney for the committee.

"Yes, sir, about four years ago I wrote a policy for Mr. Pritzlaff for

\$25,000. It was a twenty-year tontine policy and my commission was fifty per cent."

"What did you do with the commission?"

Pagel did not answer for a painfully long interval. Then E. H. Bottum, attorney, interposed and requested the committee to advise the witness that he need not answer if he felt that his answer might subject him to prosecution for a crime.

James A. Frear, the chairman, so advised Pagel, and, after a whispered conference with Mr. Bottum, Pagel declined to say what he had done with the commission.

"You decline to answer on the ground that you might incriminate yourself?" asked Mr. O'Connor.

"Yes, sir," replied Pagel in a low voice.

William J. Jahn, a policyholder, was called to the stand and asked if he had received any return on a policy of insurance for \$10,000 issued by the Northwestern Mutual through the agency of Otto W. Pagel, the previous witness. Jahn, after some sparing, availed himself of his statutory privilege.

"Did Mr. Pagel pay you any money or show you any favor in consequence of writing your policy?" asked Mr. O'Connor.

"No, sir."

"Didn't you find money or a check on your desk which you could not account for?"

"No, sir."

"Now, Mr. Jahn, did you ever receive anything, directly or indirectly, from anyone on account of the money you paid for that policy except the policy?"

Jahn showed signs of distress, and Chairman Frear interposed and advised him of his rights. After some hesitation Jahn declined to answer.

George B. Mayer was subjected to the same line of examination regarding a policy on his life for \$40,000 issued by the Northwestern.

On June 29 there was a discussion of fraternal insurance matters, and Commissioner Host made an address at the opening of the session, in which he said:

That fraternal insurance companies must recognize that their saving on the old line companies must be from economy in management, both on the running of the company and the obtaining of new business, and that as regards mortality and reserve charges for the protection of insurance contracts fraternalists must expect to make the same appropriations as old line companies.

The Commissioner recommended that a law be passed prescribing a minimum table of rates, and that these rates be based upon the American Table with three and a half or four per cent interest.

Against New York Law.

The Life Underwriters Association of St. Louis met last week and adopted the following resolutions:

Whereas, it is a matter of common knowledge, and we believe has been admitted by its sponsors, that the recent legislation known as "the New York law," while it tends in the right direction, is, in many of its features, a hastily adopted political expedient, crude, and uncertain in its provisions; and

Whereas, one provision at least, in section 97 of said law, in its effect, discriminates and singles out one class of life insurance men, restricting and interfering with their right to contract for service, and this without securing to policyholders the saving which is claimed as the object to be attained; and, as said provision in said section is unfair and un-American in spirit, and perhaps unconstitutional, as it affects the rights of citizens of the United States who are engaged in a legitimate occupation as life insurance agents, be it

Resolved, that it is the sense of this association that the so-called "New York law," as a whole, should not be indorsed or approved by life insurance agents or their associations; and that its adoption, in its present form, by the legislatures of other States should be opposed. We favor all laws which result from mature deliberation, wherever they may be necessary to secure to policyholders honest, faithful and economical administration. We desire laws that are beneficial, not destructive; laws that are practical and effective in operation; laws that are to be obeyed, not evaded; laws that serve not the temporary purpose of special interests, but the permanent interests of all sound life insurance.

Changes in Pacific Mutual Life.

Telegraphic advices from Los Angeles announce that Wilbur S. Tupper, for purely personal reasons, has resigned the presidency of the Pacific Mutual Life of that city, and also as director. His successor is George I. Cochran, hitherto first vice-president of the company, while Gail B. Johnson, formerly third vice-president, fills Mr. Cochran's old place. The new president was one of the organizers of the Conservative Life, is a man of large affairs, and under his direction the company's progressive field methods will be continued. Agents of the Pacific Mutual are loyally supporting it and contributing a satisfactory volume of business. The net loss sustained by the company in the destruction of its San Francisco building has not yet been fully determined, though it is certain that it still possesses an ample amount of surplus. We are also advised that the capital will shortly be increased by \$300,000 to \$1,000,000, and as the new shares will be sold at a premium, a handsome increase to the surplus will result. The field now occupied by the com-

pany will be retained and no States will be relinquished unless legislation compels the company to withdraw—a situation which at present confronts a number of life insurance companies.

—The Scandia Life of Illinois has been admitted to South Dakota.

—The Minnesota Mutual Life has appointed O. F. Dutton Michigan State agent, with headquarters at Lansing.

—The Supreme Lodge of the Ancient Order of United Workmen, in convention at Montreal, is struggling with a rate increase proposition.

—The Indiana National Life is being promoted by J. E. Killen, formerly with the State Life. The company is to operate as a mutual under the deposit law of 1899.

—Jesse R. Clark has been unanimously elected president of the Union Central Life, succeeding the late John M. Pattison, and Secretary E. P. Marshall has had the additional office of vice-president given him.

—The Commercial Life Insurance Company of Indianapolis has been incorporated, and will operate as a mutual under the reserve deposit law of 1899. The company now has about \$1,000,000 of insurance in force, and has been promoted by the Indiana Underwriters Agency, which was incorporated some months ago, with \$200,000 authorized capital.

—The Ohio Insurance Commission, appointed by the legislature to inquire into insurance methods in Ohio, is about to investigate the affairs of the Michigan Mutual Life. This action is taken because of the refusal of the company's officials to submit to an investigation by the Wisconsin Department. The commission will hold a session beginning on July 10.

—Owing to the fact that the Metropolitan Life is occupying temporary quarters in San Francisco, a report has been circulated that the Pacific Coast office would later be moved to Portland. There is no foundation for this report, as Assistant Secretary Taylor expects to stay where he is for at least two years, and will then move into the company's own building.

—The Midland Mutual Life Insurance Company started on July 2 with a capital stock of \$100,000 and surplus of \$50,000. Dr. W. O. Thompson, president of the Ohio State University, is president, and B. F. Reinmund, general manager. Its directors are from the leading business men of Columbus, Ohio, and the company will write all kinds of life policies except deferred dividend.

—The Ohio State Life Insurance Company has been licensed and started on its career on Monday last. It has a capital stock of \$100,000 and a surplus of \$100,000. J. C. F. Hull of Bucyrus is president, and I. S. Hoffman of Mansfield, superintendent of agencies. Its stockholders are distributed all over the State, and its board of directors is chosen from leading cities of the State. For the present the company will confine its business to Ohio.

—The Nebraska Supreme Court has exempted fraternal reserve funds from taxation by the following decision: "Where the legislature has passed an act providing for a new system of raising revenue, and has thoroughly changed the former methods of procedure relating to matters of taxation, the courts in construing its provision are not bound by administrative construction of the former revenue law. Under the rule established by the decision of this court for the taxation of credits, a fraternal beneficiary association is entitled to set off the limit of its outstanding beneficiary certified matured stock and unmatured against securities in its fidelity or mortuary fund set apart and devoted exclusively to the payment of such certificates."

—At the adjourned regular meeting of the Security Life and Annuity in Chicago the directorate was increased by the election of the following-named gentlemen as directors to serve until the next regular annual stockholders' meeting: Joseph E. Otis of Chicago, president of the Western Trust and Savings Bank; Arthur Dixon of Chicago, president of the Dixon Transfer Company; Charles Arthur Carlisle of the Studebaker Brothers Manufacturing Company of South Bend, Ind., and Newland T. DePauw, capitalist of Evansville. All these gentlemen are men of wealth and prominence, and will be active in the management of this company. There will be several more additions to the board later on.

THE SOUTH.

—The Sun Life of Canada has retired from the Carolinas.

—D. W. Cochran is the Greensboro Life's leader for May, and F. G. Spearman, Jr., is second in the race.

—Tucker Carrington, treasurer of the South Atlantic Life, has resigned, and is now with the Union Central Life of Cincinnati.

—The Dale bill placing domestic life companies on the same basis as foreigners as to matters of taxation has passed both Houses of the Louisiana Legislature.

—The Security Mutual Life has transferred its Mississippi and Northern Louisiana agency from Bonds & Leitch to Pullen & Lake.

—General Manager F. M. Dancy of the Conservative Life of Charlotte, N. C., has resigned, and will enter the service of the Great West Life of Winnipeg to organize a branch of the company in China, where he formerly was engaged for the New York Life.

—Akers & Skinner have been appointed managers for the Prudential in Northern Georgia, and Charles M. Adams, manager for the Southern portion. The appointments are the outcome of the resignation of Eugene R. Black as manager of Georgia.

MISCELLANEOUS LIFE NEWS.

Journal of the Federation of Insurance Institutes.

The 1905 volume of The Journal of the Federation of Insurance Institutes of Great Britain and Ireland, being the eighth annual volume, contains a number of interesting papers instructive to life and fire insurance managers. The present volume contains papers relating to life insurance as follows: "Life Assurance Trading," by A. D. Lindsay Turnbull; "Methods of Dealing With Under-Average Lives," by T. B. Macauley; "Methods of Division of the Surplus of Life Assurance Offices," by William Tait; "Proposal, Medical and Other Forms in Connection with Life Assurance," by John Rodger; "The Use of Alcohol as Affecting Life Assurance Risk," by Neil Carmichael, and "Varieties of Life Assurance," by Morris Fox.

Papers covering fire insurance topics are as follows: "Bacon-Curing Factories," by James R. Warner; "Cocoanut Fibre and Matting Factories," by F. F. Worthington; "Failures of Sprinkler Installations and Their Causes," by Thos. A. Bentley; "Fire Exposure Hazard," by Robert M'Connell; "Hosiery Factories, Warehouses and Dressing Works," by C. R. Walton Clarkson; "India Rubber and Pneumatic Tire Factories," by Robert Cumming; "Oil Mills," by F. E. Colchester; "The Civic Fire Brigade and Fire Insurance," by John London; "The Value of Fire-Extinguishing Appliances," by William Hartley, and "Varnish Works," by J. Headon Boocock. A variety of miscellaneous information concerning the work of the Federation, including the examination papers of 1905.

A set of these journals constitutes an instructive text-book on the principles and practice of underwriting. The price of the volume for 1905 is \$2.50, and all orders for the same will be promptly filled by The Spectator Company, 135 William street, sole agents for the publishers, C. & E. Layton of London.

The Canadian Investigation.

Following the examination of the Canada Life, the Imperial was taken up and Actuary Bradshaw testified. He cited the fact, that at present the companies pay a tax of one per cent on gross premium income, and in his opinion this was not only taxing the same money twice, but was also a tax upon thrift. He favored taxing the dividends of shareholders and also the surplus of the company. Then followed a general discussion of the tax laws of the Provinces, and an essay by Lieut.-Col. Macdonald, actuary of the Confederation Life, was read. It dealt with the expense ratios of life companies. Many American companies were quoted as having an expense ratio of from twenty to forty per cent of premium income. Sixteen companies, expense ratios of from forty to eighty-four per cent. Of these sixteen, five were from thirty to fifty-five years old. The three large New York companies were given an expense ratio of twenty-five per cent. In Great Britain the average was from five to twenty per cent, mostly from ten to thirteen per cent. Commissioner Kent seemed to think policyholders were very harshly treated, and that they should have a ninety per cent representation on the board of directors.

On June 20, David Fasken, president of the Excelsior Life, and Edwin Marshall, general manager of the Excelsior, gave information respecting their companies. Mr. Marshall condemned rebating, but admitted that his company had practiced it. In 1899 the Excelsior changed their premium rates, and again in 1900, to conform to the new three and a half per cent basis of reserve, and once since that time, bringing it to the standard. Mr. Marshall related the story of the causes leading up to the buying of a large portion of the stock in 1898 by several of the directors. This was done because it was ascertained that circulars had been sent out to shareholders of the Excelsior Life asking options on the stock. About this time a bonus of six per cent on the capital stock was reported, and as it was thought unsafe to have the stock where it might reach hostile interests, Messrs. Fasker and Marshall, and the late E. F. Clark, managed to get the bulk of the stock into the hands of the directors, Mr. Fasken being the heaviest purchaser. Mr. Marshall said it took ninety per cent of all the companies' loadings to obtain new business. The witness gave no opinion when asked what right the insurance companies had to retain the money paid in premiums on policies which had lapsed.

Mr. Marshall testified that new business cost nearly fifty per cent more in the first year than the premium provided.

The Crown Life was then examined. This is a young company and C. J. Hughes was the witness. He testified regarding the company's organization and promissory notes given for stock. Mr. Tilley asked:

"How did you treat these notes in your annual statement?" "Did you treat them as bills receivable?"

"No, they were treated as cash. They were discounted towards the end of the year in the Union and Sovereign Banks."

"Then," said Mr. Tilley, "you would take the notes back a few days after, so that they were not really discounted."

Mr. Hughes replied that they were really discounted as the banks paid cash for them.

The directors, upon affecting insurance in the Crown Life, were allowed fifteen per cent commission for from five to seven years. He said that the rates of the company had been arrived at by adding together the rates of English, American and Canadian companies and striking a mean.

The testimony of the vice-president of the Continental Life is said to be in a very mixed state, owing to the system of reporting, which is partly verbatim and partly the personal opinions of the reporter, but it would appear that this company acquired some bonds of the Atlas Loan Company, which failed. These were purchased by the president, Mr. Somers, from what has been called the Continental's subsidiary company, the Ontario Securities Company. Upon the failure of the Atlas, Mr. Somers bought these bonds from the company, it is said, with the understanding that the directors should cover him in case of any loss, this arrangement having been made to save the Continental from loss of business which would result from the announcement of a unprofitable investment. It was also shown with regard to the formation of the Sterling Bank, that the Ontario Securities Company furnished \$250,000 to enable the bank to make the required deposit with the Federal Government.

The Life Insurance Situation.

Upon this subject Commissioner of Insurance Zeno M. Host of Wisconsin, in his annual report covering the year 1905, speaks, in part, as follows:

The power of a life insurance company for good or evil rests almost entirely upon the manner in which the management handles the funds policyholders entrust to its care, and so, too, its power for mischief and harm rests largely on what the management unrestrictedly can do with its funds.

Had company managements—next to maintenance of the legal standard of solvency—been held to a strict accountability of all the funds entrusted to their care, by a statutory requirement of an annual apportionment and accounting to each policyholder, the worthiness of the management for conservatism and economy would have annually been so clearly defined to the entire membership and prospective insurers, that rivalry between companies would have resolved itself wholly into a competition as to which could show the most favorable results to the insured.

It never then would have become the policy of a company management to needlessly accumulate a large surplus, but on the contrary, as soon as the overcharge or surplus could safely be ascertained, to assist its members in their payments by returning to each the surplus accruing from his own payments, or so applying them as to shorten the period of future premium payments.

With such an annual apportionment and accounting there never would have been incorporated a gamble in any contract of life insurance by which the overpayments of the unfortunate should become the gains of the fortunate.

With such an annual apportionment and accounting, the company management proposing so unfair a division of prospective profits, would not likely have appealed to the judgment of the membership as good trustees of accumulated profits.

When policyholders once appreciate and realize that life insurance is one of the simplest of propositions, and that they are individual factors in a combination in which each is insuring himself, entitled to an accounting, and vested with an unrestricted power to be exercised in an emergency for self protection, then also will come a realizing sense to the officials composing the management, that to them is entrusted only a stewardship, which, under no condition or circumstance, confers a vested right or ownership of the company.

Surely the experience of the past year should have carried the conviction, that if life insurance were so deep and intricate a subject, impossible for the ordinary mind to grasp and understand, there would have been, and should be, still more vacancies in official positions.

The Wisconsin Insurance Department for ten years has pointed out the one great evil in the business of life insurance, and for ten years has appealed for statutory application of the simple remedy.

Prior to the sessions of 1897, when first was presented a measure requiring an annual apportionment and accounting to policyholders, and a provision to prohibit the "proxy" and establishing the policyholder's right to vote directly either in person or by mail, an insurance lobby was unknown in this State.

If the repeated demands for the application of the remedy were unavailing, the department can at least claim credit that its continued agitation of the surplus question has been a factor in pointing out the evil.

Time and time again has this Department stood alone in its demand for what was no more than ordinary common honesty by company managements, and justice and equity could so easily have been done policyholders without all the injury and harm that has come to companies and individuals during the past year.

The abuses of which this evil in life insurance is composed came to the people as astounding revelations, and yet attention had repeatedly been called to them.

Was it an original or new discovery that the managements of mutual life insurance companies had formed themselves into close corporations and held control by virtue of the proxy?

Had not the enormous salaries, excessive commissions and wasteful extravagance been pointed out time and time again?

Had not the palatial buildings, "sideboards," "tickers," subsidiary corporations and stock manipulations been repeatedly dwelt on?

Was not the needless accumulation of millions of surplus continually pointed out, and argument upon argument offered to convince that the only purpose of a large surplus was to hide large and extravagant expenditures?

Were the members of the legislatures so near sighted as not to see the insurance lobby, or so busily engaged in protecting the interests of the dear people as not to notice its activities; or did they really believe that the members composing this lobby appeared at their own expense and only for the purpose of securing legislation to benefit and safeguard the policyholder?

Has there been a single session of the legislature in Wisconsin during the past ten years at which there was not presented a measure which, if enacted, would have made these abuses impossible?

Yet in this great business of life insurance, so necessary to the well being of individuals and families, managements in the performance of mere stewardships were allowed an unaccountability which had grown into almost an arrogance of absolute ownership of the hundreds of millions contributed and rightfully owned by the policyholders.

There could be but one ending to these unjust conditions, and yet it required an internecine warfare in one company, with the criminations and recriminations hurled by faction against faction to arouse the public conscience under the stimulating influence of the daily press to secure the demand of legislative investigation.

Final Report of the Truesdale Committee of the Mutual Life.

William H. Truesdale and John W. Auchincloss, the remaining members of the committee appointed by the trustees of the Mutual Life Insurance Company last October to investigate the company's affairs, made their final report on Friday last, basing all recommendations for reforms on statements made to them by hired accountants. They express regret that the services of the accountants have cost a large sum, without stating the amount, but say the expense has been unavoidable.

The report shows that the value of the Mutual Life's real estate holdings on December 31, 1905, was \$29,390,488.92, adding:

The original cost of the real estate, including improvements on same, appears by the books of the company to have been \$35,936,254.33. The cost values of same have, from time to time, been arbitrarily reduced or increased, such adjustments resulting in a net reduction of the cost by the sum of \$6,545,765.41.

All of the properties included in the total above have been appraised, and the appraised values exceed the book values by \$822,132.08. This, when deducted from the depreciation of \$6,545,765.41, previously written off, shows a net loss of \$5,723,633.33.

It is shown that the company's real estate investments pay an annual return of less than 2½ per cent on the invested capital, and the committee says:

It will thus be seen at a glance that the returns to the company on the large amount it has invested in real estate are very low, and that immediate and careful attention should be given to the question of selling much of the real estate the company now holds, as soon as it can be done to advantage, and only such of it retained as may be required for the company's use.

The purchase of most of the real estate holdings of the company, the improvements of same or the changes in the improvements from time to time made, were, so far as appears, without the approval or sanction of any committee or the board of trustees. In the administration of this branch of the company's operations great extravagance is glaringly apparent on every hand, coupled with entire absence of ordinary business methods and care. In the letting of contracts covering large expenditures no competition seems to have been invited or desired.

The committee speaks of alterations costing \$60,000 made in the building at 32 Nassau street for the Guaranty Trust Company and charged to the Mutual Life Company. It also cites a contract of R. C. Fisher & Co. for marble work from 1900 to 1905, amounting to \$1,362,561, for banking rooms on the Cedar street side of the building, and recommends a thorough examination of that and other contracts, amounting in all to \$7,412,103, with a view to suits for recovering to the company excessive payments.

"Expenditures of a questionable character and for purposes not disclosed by the books and vouchers of the company," the committee says, are shown in schedule J. As to the general character of the expenditures, the report says they amount to \$913,875 from January 1, 1899, to December 31, 1905. The report adds:

Included in this sum are the payments made on order of the expenditures committee, usually in amounts of \$25,000, amounting altogether to \$383,019.40, to which reference was made in the committee's fifth report, with recommendations that proper legal action be taken to require an accounting to the company, showing to whom the payments were actually made and for what purposes. Also included in same are payments made direct to A. C. Fields, aggregating \$27,080.63, being a small part of the amount handled by said Fields, which your committee have therefore recommended that he be required to account for. Also included in same is the sum of \$12,474.22 paid Andrew Hamilton of the New York Life Company, and the sum of \$13,333 paid direct to the last-named company, said two payments being the Mutual Company's proportion of certain legislative expenses, regarding which much evidence was given before the legislative investigating committee. Also included in same is the sum of \$18,834.28 paid to J. Heye, an employee of the supply department, and for the most part charged to restaurant expenses.

Your committee is of the opinion that these payments through Heye, as well as many others covered by said schedule J, in fact, form part of the funds handled by A. C. Fields, for which he should account to the company.

Included in said payments are sums aggregating \$4260 for cab hire for the president, to secure the repayment of which proper legal action should be taken on the company's behalf.

Without doubt, there are included in the statement referred to many payments that were legitimate and proper, but in the opinion of your committee the proper officials of the company should at once investigate, as thoroughly as possible, all payments covered by said statement, for the purpose of ascertaining whether any of them are of a character that may make it possible to recover for the company the amounts paid, and if so what legal steps are possible and should be taken to effect such recovery.

The statement referred to in the foregoing does not cover the sums paid for so-called legal and other similar expenses through A. C. Fields, in connection with the manipulation of the stationery and printing accounts of the company.

At the end of all the recommendations and criticisms of the committee comes the following tribute to President Peabody and his assistants in the present administration of the company:

The president and his staff are making a most conscientious and thorough

effort to conduct the business and affairs of the company on broad, correct and conservative business lines. They are laying the foundations deep and firm for a safe and economical conduct of the business, and the results will surely show decreased cost of insurance and increased dividends over a course of years.

Summary of Life Insurance by States.

STATES REPORTED.	Insurance in Force Dec. 31, 1904.	Insurance Written in 1905.	Premiums Received.	Losses Incurred.	Insurance in Force Dec. 31, 1905.
SUMMARY.	\$	\$	\$	\$	\$
Alabama .....(Ord.)	112,304,009	24,470,534	†4,335,000	1,629,209	123,736,811
(Ind.)	4,300,555	2,208,805	.....	32,961	4,806,014
Arizona .....(Ord.)	14,600,769	3,131,248	542,136	121,854	15,617,091
Arkansas .....(Ord.)	68,009,516	18,196,632	†2,532,505	†785,488	75,686,726
(Ind.)	1,707,517	1,760,270	.....	.....	2,118,160
California .....(Ord.)	264,544,830	48,945,852	10,635,272	3,400,491	280,688,726
(Ind.)	21,156,520	8,480,949	735,705	175,855	22,781,076
Colorado .....(Ord.)	99,189,760	22,987,022	3,905,922	1,167,732	108,510,649
(Ind.)	4,230,346	2,069,134	178,929	43,655	4,871,010
Connecticut ..(Ord.)	132,475,891	18,568,456	5,462,787	2,538,453	139,159,955
(Ind.)	61,784,400	14,481,352	2,358,277	883,488	65,927,148
Delaware .....(Ord.)	19,566,354	2,931,597	709,841	186,668	19,356,809
(Ind.)	12,646,208	3,917,402	491,577	144,355	13,747,898
Dist. of Colum.(Ord.)	58,522,395	12,009,623	2,347,038	746,865	62,440,148
(Ind.)	24,437,034	6,665,729	900,022	279,982	25,414,105
Florida .....(Ord.)	44,645,157	10,845,100	1,709,746	481,516	50,096,628
(Ind.)	.....	184,599	1,759	25	177,548
Georgia .....(Ord.)	183,168,171	42,649,016	6,804,414	2,558,857	198,555,508
(Ind.)	9,446,569	5,748,207	345,443	92,451	11,218,096
Hawaii .....(Ord.)	12,638,265	2,059,031	478,805	228,255	13,025,877
Idaho .....(Ord.)	19,058,316	5,872,480	724,156	121,106	21,130,823
Illinois .....(Ord.)	710,407,736	148,581,141	27,533,842	8,568,323	757,839,705
(Ind.)	116,329,635	44,180,785	4,400,425	1,125,781	128,784,079
Indiana .....(Ord.)	252,094,529	65,036,185	11,940,193	2,416,499	275,381,994
(Ind.)	57,006,617	22,030,227	1,217,717	516,316	62,937,286
Ind. Territory (Ord.)	14,378,049	6,418,264	523,934	106,842	17,186,792
Iowa .....(Ord.)	197,534,968	31,858,261	6,871,851	1,895,699	206,457,135
(Ind.)	9,446,757	4,987,401	349,804	71,671	10,628,653
Kansas .....(Ord.)	94,867,659	24,070,079	3,850,570	1,962,395	104,114,232
(Ind.)	9,327,264	4,722,617	102,018	77,258	10,652,464
Kentucky .....(Ord.)	205,785,845	58,623,675	7,570,011	2,723,691	228,457,822
(Ind.)	81,397,561	22,835,134	2,928,678	863,802	87,949,412
Louisiana .....(Ord.)	125,387,460	20,332,751	5,115,777	1,296,300	134,166,011
(Ind.)	19,810,960	6,337,713	373,250	249,855	22,031,542
Maine .....(Ord.)	87,225,562	10,675,550	3,394,944	1,232,135	90,895,816
(Ind.)	10,854,778	3,964,759	387,242	93,872	11,896,264
Maryland .....(Ord.)	137,114,338	22,590,985	6,538,079	1,975,987	147,545,276
(Ind.)	66,449,706	21,488,433	1,508,685	900,986	72,086,618
Massachusetts (Ord.)	527,210,080	86,401,761	21,797,727	9,958,975	550,382,978
(Ind.)	180,315,280	59,357,976	7,081,382	2,403,149	194,878,449
Michigan .....(Ord.)	226,402,300	44,758,989	9,677,605	2,926,583	241,613,600
(Ind.)	26,845,285	11,519,543	375,401	212,870	29,385,835
Minnesota .....(Ord.)	174,756,970	27,005,287	6,582,184	1,940,563	184,124,071
(Ind.)	7,875,292	3,732,795	298,023	64,711	8,811,024
Mississippi ....(Ord.)	81,514,145	21,590,438	3,186,304	990,217	92,686,353
Missouri .....(Ord.)	318,105,528	71,688,232	14,023,306	3,900,441	348,568,553
(Ind.)	83,161,337	29,098,230	1,038,287	909,331	90,870,285
Montana .....(Ord.)	41,488,935	8,428,178	†1,642,089	382,600	43,835,019
(Ind.)	1,254,675	618,894	.....	7,778	1,264,224
Nebraska .....(Ord.)	91,234,241	18,993,556	3,298,381	774,658	99,247,108
(Ind.)	4,108,666	1,985,407	150,564	31,372	4,422,152
Nevada .....(Ord.)	7,373,972	2,591,027	325,328	100,679	8,961,765
N. Hampshire (Ord.)	46,839,421	6,333,787	1,787,038	941,984	48,930,787
(Ind.)	9,852,058	3,366,785	344,291	114,153	10,802,069
New Jersey....(Ord.)	284,021,655	59,201,351	9,782,120	4,730,992	302,387,356
(Ind.)	199,544,829	43,835,861	7,599,844	2,654,092	212,214,727
New Mexico....(Ord.)	16,126,782	3,992,935	560,775	156,852	18,228,522
New York.....(Ord.)	1,499,443,678	258,858,924	61,139,401	20,549,356	1,562,048,159
(Ind.)	523,532,662	128,859,869	18,707,896	7,378,983	552,263,459
North Carolina (Ord.)	96,944,137	24,642,659	3,458,237	1,128,433	109,270,639
(Ind.)	9,950,658	5,512,772	407,168	92,144	11,841,305
North Dakota (Ord.)	32,906,767	8,480,967	1,247,629	186,794	35,142,433
Ohio .....(Ord.)	549,031,387	88,348,532	20,781,564	6,988,480	574,678,258
(Ind.)	127,476,132	41,138,121	5,001,404	1,415,340	138,842,690
Oklahoma .....(Ord.)	22,409,945	8,810,592	839,357	121,274	26,948,445
Oregon .....(Ord.)	50,199,466	13,975,691	2,057,802	390,601	56,330,926
Pennsylvania (Ord.)	1,018,644,303	167,548,862	43,752,189	15,814,393	1,070,151,435
(Ind.)	331,223,161	94,020,423	7,778,952	3,776,076	357,877,595
Rhode Island (Ord.)	64,961,222	9,823,644	2,551,405	939,787	68,676,065
(Ind.)	37,944,994	9,900,595	1,459,344	486,172	40,500,382
S. Carolina....(Ord.)	77,324,383	17,312,653	2,608,831	1,020,306	84,501,090
(Ind.)	7,217,167	3,696,208	294,955	70,681	8,657,728
South Dakota (Ord.)	31,411,983	7,131,403	1,126,913	195,844	30,715,267
Tennessee .....(Ord.)	120,361,976	29,332,396	4,508,437	1,463,762	133,021,389
(Ind.)	16,865,803	8,538,237	604,434	175,438	20,078,609
Texas .....(Ord.)	241,928,794	63,668,642	8,212,455	2,506,021	256,144,573
(Ind.)	6,440,574	4,425,671	224,111	46,232	7,304,333
Utah .....(Ord.)	32,146,241	9,521,249	†1,219,940	256,773	34,907,135
(Ind.)	1,411,474	688,803	.....	5,531	1,641,515
Vermont .....(Ord.)	51,159,387	6,236,290	1,984,248	694,176	53,783,290
(Ind.)	4,134,989	2,045,945	156,038	24,999	4,783,844
Virginia .....(Ord.)	129,685,706	25,520,599	5,315,223	1,831,574	139,470,330
(Ind.)	26,627,982	8,843,500	532,886	312,356	29,423,233
Washington ... (Ord.)	69,655,462	21,359,497	2,952,498	549,455	80,022,492
(Ind.)	3,244,106	1,888,913	110,711	13,837	3,682,956
West Virginia (Ord.)	63,204,348	13,014,542	2,402,988	530,683	68,651,109
(Ind.)	7,990,704	4,467,940	304,332	64,210	9,252,411
Wisconsin .....(Ord.)	230,765,938	37,769,833	8,637,013	2,722,531	242,727,949
Wyoming .....(Ord.)	13,083,744	2,452,001	451,746	63,374	13,236,745
Totals .....(Ord.)	9,063,862,475	1766,247,999	361,437,556	120,902,526	9,649,444,475
(Ind.)	2,127,250,255	643,606,004	\$68,749,554	25,811,768	2,296,826,198
Canada .....(Ord.)	557,797,909	95,055,844	20,677,725	8,500,657	596,942,874
(Ind.)	34,726,475	18,123,759	1,339,526	248,147	38,883,966

† Includes industrial. \$ Excluding premiums which are included under ordinary business.

VARIOUS ITEMS.

—The John Hancock has issued a new form of agents' contract, which pays fifty-five per cent on ordinary life policies and fifty per cent on the twenty-payment form, with five per cent renewals for nine years.

—"Actuarial Society Examinations in 1905" is the title of a book published by the Thrift Publishing Company, which will be found of great service by actuaries and actuarial students throughout the country. The work contains a complete series of solutions of questions presented to candidates by the Actuarial Society of America in 1905, and represents a new departure in this country among actuarial works. In addition, there is given a clear and comprehensive paper by Robert Henderson of the actuarial staff of the Equitable Life, on "The Fundamental Principles of Probability." The book is handsomely printed, with alternate blank pages for notes, is bound in half leather, and sells at \$3 per copy.

Acknowledgments.

—Report of the Insurance Commissioner of Utah on insurance in that State in 1905.

—Part II. of the Rhode Island insurance report, covering life and accident lines for 1905.

—Annual report of the Insurance Commissioner of Alabama for the year ending December 31, 1905.

—Part II. of the Connecticut insurance report, covering life accident, casualty, fidelity and surety lines for the year 1905.

—The Underwriter Printing and Publishing Company has issued its "Record of Business in Each of the States and Territories of the United States and the Dominion of Canada by the Joint Stock Fire Insurance Companies in 1905." The book also gives aggregates for twenty-five years, with percentages.

—We have received from the author, H. T. Lamcy, advance sheets of a little book entitled "Side Lights." It gives the experiences of the writer in the various positions in a country insurance office, and some descriptions of the workings of a large office in San Francisco. Mr. Lamcy was in that city at the time of the earthquake and conflagration, but his life was included in the salvage. He is a bright, crisp writer, with much humor in his make-up. "Side Lights" is a pleasant companion for an hour's reading at home or when traveling.

—We have received from the compiler, S. H. Wolfe, consulting actuary, a copy of the 1906 edition of the "Investment Directory—Insurance Companies." This volume is considerably extended over its predecessors, giving the investments of all the life insurance companies and of the leading fraternal organizations. Referring to the recent attacks on life insurance, the editor says: "One fact stands out boldly—no other financial institution could have withstood the shock of these attacks so successfully. The cause for this condition may be ascribed to the fact that, while criticisms have been made, in some cases, of the manner in which securities were purchased, no fault has been found with the investments themselves, which are in securities absolutely 'gilt edged.'"

Casualty, Surety and Miscellaneous

Preferred's New President.

By unanimous consent the board of directors of the Preferred Accident have elected Kimball C. Atwood, who has been secretary and general manager of the company since it was organized in 1885, to fill the high office of president. Mr. Atwood now becomes in name what he has been in fact, the real head of the company, a position which he might have had long ago, had he desired it. Mr. Atwood created the Preferred; he has been the force behind this company in all its highly successful career, and he will continue to be the real manager of its affairs. Mr. Atwood has evolved many original ideas in accident insurance, among which may be mentioned the increase of the weekly indemnity period beyond twenty-six weeks; a specific benefit for one or two limbs; a specific sum for the loss of one eye; doubling the benefits for traveling accidents; doubling the benefits for burning building accidents; doubling the benefits for elevator accidents, and the payment of a legacy benefit in connection with an accident policy.

Wilfred C. Potter, superintendent of agents and another loyal supporter of the company, has been elected secretary, and Phineas C. Lounsbury, who has been president for so long, is now vice-president. Charles D. Spencer, formerly vice-president, is now auditor. Arrangements are being made to increase the capital stock of the Preferred to \$350,000, thus adding \$150,000 to the policyholders' surplus, and bringing the assets to approximately \$1,400,000.

—The Fidelity and Deposit, which was held recently for \$35,000 on the bond of Thomas Neal, defaulting clerk of the United States District Court at Guthrie, Okla., will bring suits against all the persons who accepted in payment of personal accounts checks signed by Neal as clerk of the court. Neal kept his personal and the court accounts all together and the company claims that all persons who accepted checks signed by him as clerk of the court are liable for the amounts, as all these checks formed part of his defalcations.

Summary of Miscellaneous Insurance by States.

STATES REPORTED.	Premiums Received.	Losses Paid.	Losses Incurred.	Ratio of Losses Incurred to Premiums.
SUMMARY.	\$	\$	\$	%
Alabama	609,452	254,851	254,361	41.7
Arizona	62,791	20,575	23,948	38.1
Arkansas	229,470	111,546	114,887	50.1
California	1,520,145	388,768	.....	25.6
Colorado	916,587	474,519	474,690	51.8
Connecticut	692,681	163,672	177,314	25.6
Delaware	85,898	17,955	20,555	23.9
District of Columbia	332,889	82,029	83,945	25.2
Florida	228,425	73,416	76,264	33.4
Georgia	571,268	255,523	246,979	43.2
Hawaii	36,063	6,799	.....	18.9
Idaho	64,695	20,548	26,502	41.0
Illinois	4,475,232	1,748,305	1,875,180	41.9
Indian Territory	89,851	19,086	18,897	21.0
Iowa	604,652	227,850	230,449	38.1
Kansas	452,443	201,807	214,748	47.5
Kentucky	875,907	427,266	404,080	46.1
Louisiana	507,253	159,420	206,590	40.7
Maine	462,310	157,643	162,691	35.2
Maryland	801,254	298,868	283,148	35.3
Massachusetts	3,864,130	1,511,963	1,558,491	40.3
Michigan	1,161,435	403,149	365,589	31.5
Minnesota	1,318,274	.....	510,374	38.7
Mississippi	222,777	96,264	99,635	44.7
Missouri	2,215,459	898,046	1,033,426	46.6
Montana	219,067	98,596	.....	45.0
Nebraska	396,295	117,786	118,509	29.9
Nevada	33,455	19,963	19,538	58.4
New Hampshire	237,312	77,018	81,708	34.4
New Jersey	1,024,787	271,103	291,835	28.5
New Mexico	66,169	23,644	26,033	39.3
New York	11,755,384	3,939,010	4,239,727	36.0
North Dakota	108,374	44,758	40,103	37.0
Ohio	3,272,882	1,424,008	1,518,019	46.4
Oklahoma	81,922	35,304	32,951	40.2
Oregon	271,529	75,777	.....	27.9
Pennsylvania	4,135,501	1,452,752	1,469,376	35.5
Rhode Island	390,691	155,958	176,817	45.3
South Carolina	204,867	91,102	77,910	38.0
South Dakota	63,813	25,471	22,953	36.0
Tennessee	553,868	316,415	323,896	58.5
Texas	886,650	332,743	443,243	50.0
Utah	215,939	113,223	114,651	53.1
Vermont	199,807	78,668	78,802	39.4
Virginia	555,224	315,795	326,964	58.9
Washington	730,525	401,965	.....	55.0
West Virginia	440,100	.....	181,100	41.2
Wisconsin	1,090,754	383,466	393,245	36.0
Wyoming	45,617	13,700	17,570	38.5
Totals	49,382,873	a17,828,093	b18,507,693	37.5
Canada	2,108,237	831,881	837,714	39.7

‡ Ratio losses paid to premiums. a Losses paid in forty-seven States. b Losses incurred in forty-four States.

Casualty Notes.

—The Commercial Accident Insurance Company is being promoted at Toronto.

—The United Surety is arranging to enter the liability field later in the year.

—The National Title Guarantee Company of Toronto has applied for incorporation.

—The Ontario Live Stock Insurance Company of Toronto has applied for incorporation.

—The Frankfort Marine is organizing a burglary department and all classes of this line will be written.

—The American Relief Association of Bay City, Mich., has been merged with the Federal Casualty Company.

—J. E. Roberts has been elected a director of the Dominion of Canada Guarantee and Accident Insurance Company. His title is managing director.

—Robert B. Armstrong, president of the Casualty Company of America, will deliver an address before the New York State Bankers Association, at Hotel Champlain, on July 6.

—The Alliance Against Accident Fraud met recently in New York, and from the reports read it is evident that the work of this association is already beginning to show marked results in the decreased number of damage suits brought against its members.

—G. Murray Seal, superintendent of division of publicity of the Maryland Casualty, has issued a very neat and well arranged booklet, in which is given, briefly, a great deal of information regarding the company and the many lines written by it. The book is designed for the

insurance agent who is not familiar with all the company's practices and wishes to know where he can place certain lines for which he has an occasional call. "Information for Agents" is the title of the booklet.

—Tickets for the nineteenth convention of the International Association of Accident Underwriters, at Hotel Champlain, July 10-13, should be obtained between July 6 and 12. Walter C. Faxon, of the Aetna Life at Hartford, is chairman of the transportation committee.

—The Wildey Protective Association of America has been chartered under the Oklahoma laws, with headquarters at Guthrie. The capital stock is \$30,000, and the incorporators are: H. L. Strough, R. V. Smith, James Hepburn, F. H. McGuire, H. A. Herwig and L. L. Patten of Guthrie; E. T. Rehfield of Keene, Okla.; T. W. Dustin of Shawnee, Okla., and J. B. A. Robertson of Chandler, Okla.

Surety Notes.

—The Metropolitan Surety has declared an initial dividend of two per cent quarterly.

—Geo. U. Marvin has been appointed superintendent of agencies for the United Surety in its Western department.

—The United Surety has decided to issue a block of stock in lots of from one to ten shares, at the subscriber's price of 150. The allotment is limited.

—H. M. Coudrey & Co. of St. Louis have written a \$600,000 internal revenue bond of the Anheuser-Busch Brewing Company for the United States Fidelity and Guaranty.

—The Empire State Surety has declared the regular quarterly dividend of two per cent and an extra dividend of one-half per cent, payable on July 2 to stockholders of record.

—The United Surety has written a \$300,000 bond for the Southern Car and Equipment Company of Waycross, Ga., through the general agency of J. L. Riley & Co. of Atlanta, Ga.

—The New York Department is investigating the subject of the Empire State's dividend declared recently, after an examination by the Department showed that the capital was impaired \$55,056.

—On July 4, the new embezzlement law of Iowa went into effect. It provides that embezzlers be fined an amount at least equal to the amount stolen, and in addition a prison sentence is imposed.

—Wheelock Harvey, the messenger of the First National Bank of New York, who got away with \$85,000 in drafts belonging to the bank, has been caught in Texas. He says he returned all the money except \$700. The United States Guarantee Company was on his bond for \$5000.

—Comptroller Metz of New York has notified the heads of all city departments that he will not accept the Empire State Surety's bonds on city contracts. This action is taken on advice of the Insurance Superintendent of New York, and the order will remain in force until certain changes have been effected in the company's financial condition.

—Depositors of the defunct Union Surety and Guaranty Company of Philadelphia are protesting against the dividend of sixty per cent awarded to the common creditors. The depositors claim that they have been awarded a twenty per cent dividend of \$19,317, instead of a sixty-three per cent dividend which they claim they should receive as preferred creditors. They claim that the auditors erred in awarding the common creditors and not the depositors the sum of \$42,821 before the depositors were paid in full, and that they should have awarded the entire balance for the distribution of \$66,585. Their action in awarding \$5000 each to Charles L. Brown and Charles E. Fox, as auditors, is also criticised.

—On July 10, Attorney-General Mayer will hold a hearing in New York on an application of F. P. Davison of Brooklyn to have all the bonding companies of New York deprived of their charters, on the ground of monopoly. Davison charges that the companies entered into an agreement to conduct all the bonding business through a committee on a uniform scale of prices, regulated by the amount of the bond required. Such agreement, he says, is in violation of section 7 of the stock corporation law and against public policy. The section reads: "No domestic stock corporation and no foreign corporation doing business in this State shall combine with any other corporation or person for the creation of a monopoly for the unlawful restraint of trade, or for the prevention of competition in any necessary of life." It is understood the defense will urge that bonding is not a "necessary of life."

TOO LATE FOR CLASSIFICATION.

The Fowler Report on the New York Life.

Two reports have been submitted to the trustees of the New York Life, marking the close of their investigation. One report is a general defense of the administration of the affairs of the company in the past, while the other explains certain transactions of George W. Perkins, as chairman of the finance committee.

The committee justifies the purchase of the New Orleans traction syndicate underwriting from the New York Security Trust Company when that institution merged with the Continental Trust Company, absolves Mr. Perkins from any financial responsibility for applying the profits of a loan of \$930,000 in which New York Life money had been used to the Nylie fund, and offers an explanation of the year-end sale of \$800,000 interest in the Navigation Syndicate underwriting by Mr. Perkins of the New York Life to Mr. Perkins of J. P. Morgan & Co., and of its repurchase on January 2, following.

The meeting at which these reports were received and approved by the New York Life's present board of trustees was marked by the resignation of Geo. W. Perkins, James A. Blair of Blair & Co., Henry Walters, and Norman B. Ream. The latter three, it is understood, resigned because they had been advised by counsel that life insurance trustees could not participate in syndicates from which their company bought securities. Mr. Perkins' resignation has been pending for months.

The New York Life trustees received the nomination yesterday of James H. Eckels, president of the Commercial National Bank of Chicago; A. A. Raven, president of the Atlantic Mutual Marine, and George F. Seward, president of the Fidelity and Casualty Company of this city, and H. H. Lurton of Nashville, Tenn.

—A well-known established Southern life insurance company advertises in another column for an experienced field and office man as assistant to the general manager.

—The outstanding risks of the American Fire of Philadelphia, except perpetual insurances, have been reinsured in the Spring Garden, Stuyvesant and Pacific Fire. The American will temporarily discontinue business, and will withdraw from New York State.

—The Hartford Fire has prepared a financial statement as of July 1, which shows assets amounting to \$21,411,439; a capital of \$2,000,000; unearned premiums aggregating \$10,363,271; a reserve for all unsettled claims amounting to \$6,744,238, and a net surplus of \$2,303,931.

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VOL. LXXVII. THURSDAY, JULY 12, 1906. No. 2.

NEW YORK LAWS AND OTHER STATE COMPANIES.

THE SPECTATOR has, on several occasions, directed attention to the injustice of some of the requirements of the new insurance laws enacted at the recent session of the legislature. Some of them bear with especial severity upon the companies of other States doing business in New York, and are likely to drive them from the State. But whatever injustice is perpetrated against the companies of other States will react, with even greater force, against the companies chartered by New York. The retaliatory laws that exist in nearly every State will be brought into practical operation, and if the companies of Massachusetts, Connecticut, New Jersey, Pennsylvania, etc., are forced to withdraw from New York State, then the retaliatory laws of those States will be enforced and compel the New York companies to cease doing business in those States. That the Superintendent of Insurance intends to enforce the laws as they stand is assured from the declarations he has made, and the following letters from the Attorney-General sustain him in his determination:

STATE OF NEW YORK,
ATTORNEY-GENERAL'S OFFICE,
ALBANY, June 20, 1905.

To the Honorable, the Superintendent of Insurance.

DEAR SIR:—I am in receipt of the letter which you have forwarded to me addressed to you by the counsel of the Travelers Insurance Company, in which a number of questions are asked of you. Question No. 1 is in part, as follows:

"May life insurance corporations of other States than New York, which, by their charters or home State laws are authorized to issue both participating and non-participating policies, be permitted to issue both kinds of policies in New York State after January 1, 1907?"

My answer is in the negative, namely, that life insurance corporations of other States, etc., cannot be permitted to issue both kinds of policies in New York State after January 1, 1907. Continuing, the foregoing question is as follows:

"Or will they be debarred from writing both kinds of policies by the limitations contained in sections 25 and 29 of the insurance law?"

To this, my answer is in the affirmative, namely, that such companies will be debarred, etc. The next question asked by counsel for the company is as follows:

"Will corporations of other States and countries than New York be required on and after January 1, 1907, to issue in New York State

the standard forms of policies prescribed by section 101 of chapter 326 of the laws of 1906?"

To this, my answer is in the affirmative. I return the letter herewith.

Yours respectfully,

JULIUS M. MAYER, Attorney-General.

STATE OF NEW YORK,
ATTORNEY-GENERAL'S OFFICE,

ALBANY, June 20, 1906.

To the Honorable, the Superintendent of Insurance.

DEAR SIR:—I am in receipt of the letter which you have forwarded to me addressed to you by the president of the National Life Insurance Company, situated at Montpelier, Vt., in which the following question is asked of you:

"In discussions growing out of the amendments of 1906 to the general insurance law of New York, one of the questions which has arisen and is now in dispute is due to the failure of the legislature to repeal sections 25 and 29 of the old law, and this, it is claimed, will compel foreign companies to comply with the terms of a new section, No. 101, relating to standard policy forms.

"Please advise me, in behalf of this company, if your Department construes the law, as amended, as compelling a foreign company, if admitted to your State, to write policies in New York upon the standard policy forms provided by law for your domestic companies?"

My answer to the foregoing question is in the affirmative. I return the letter herewith.

Yours respectfully,

JULIUS M. MAYER, Attorney-General.

Inquiry among the other State companies elicits the statement that some of them will withdraw from the State rather than surrender their rights to issue the contracts that have been in use for years, have been found satisfactory by their policyholders, and have been approved by State officials continuously. Other companies may decide to stay in the State, continuing to issue their present forms of policies, thus forcing the issue and compelling the Superintendent of Insurance to revoke their licenses. Possibly the latter course, which will bring retaliation from other States, will be a wise way to bring about repeal of present injudicious laws on the statute books of New York. The exaction referred to by the Attorney-General is unjust, unnecessary and purely arbitrary. It was "jammed" through the legislature by the dragooning methods adopted by the Armstrong committee, and in spite of the representations of life insurance experts. No valid reason can be assigned for preventing a life insurance company from issuing both participating and non-participating policies. The conditions and character of each form is clearly understood, no one is deceived regarding them, and every person insured is free to accept one or the other as he feels inclined.

The standard policy form that the Attorney-General says all companies must use after January next, is repugnant in many respects to the companies of other States and to the laws of some of them. For instance, the laws of Massachusetts require the companies of that State to provide in their policies for a cash surrender value, whereas the New York standard policy provides that the surrender value of lapsed policies is to be applied to continuing the policy in force as paid-up term insurance, unless some other specified surrender value in the contract is demanded. Here is a dilemma for the Massachusetts companies. If they provide only for cash surrender values, they must get out of New York; if they do not provide automatic cash values they violate the laws of the State from which they obtained their charters.

The enforcement of the New York laws will bring into

full working force the retaliatory laws of every State whose companies suffer from their unjust enactments, and the result will be most disastrous for the New York companies, who will be debarred from the territory whence they derive the greater part of their business. The managers of some of the other State companies have declared their intention of continuing business as heretofore, and if they are interfered with, to contest the constitutionality of the law to the full limit. They contend that this attempt to abridge their right to make contracts is unconstitutional and will not be sustained by the courts. This would seem to be the proper ground to take, and it is to be hoped that the companies affected by the new law will combine to contest its validity rather than withdraw from the State. So long as the law remains on the statute books, so long will these companies be denied the privilege of doing business in this State, so the sooner a test is made of its validity the better it will be for all concerned. Undoubtedly efforts will be promptly made at the next session of the legislature to amend the Armstrong laws in various particulars, but meantime the mischief will have been accomplished unless legal steps are taken to prevent the enforcement of those features of the new laws that are obnoxious to the companies of other States and that are bound to react, if enforced, to the detriment of the New York companies.

THE SAN FRANCISCO SITUATION.

PROPERTYOWNERS at San Francisco apparently fail to recognize the strenuous efforts being made by insurance officials and adjusters to cope with the unprecedented conditions there, or the generous contributions made by the stockholders of many insurance companies with a view to paying losses in full, if possible. A considerable number of citizens have now organized the Policyholders Protective League, to be managed under the auspices of the Merchants Association of San Francisco, the San Francisco Board of Trade, the Chamber of Commerce of San Francisco, the Merchants Exchange and the Manufacturers and Producers Association of California. Members pledge themselves to pay the League one per cent of the face value of their insurance policies, and membership is open to all who carry fire insurance. It is estimated that the League will have \$1,000,000 at its disposal, and its primary object seems to be the widespread advertising of white and black lists of insurance companies, prepared in accordance with their settlements of their San Francisco conflagration losses. The trustees of the League are also to prepare, in collaboration with lawyers and underwriters, a standard form of policy, and submit same to the next legislature. They are also empowered to take other steps deemed expedient to protect policyholders. Their instructions as to the publication of company lists are as follows:

They shall print in large display space in an influential daily newspaper in every large city in America and Europe, from information from the State Insurance Commissioner of California, the San Francisco Chamber of Commerce, or any other reliable source, a list giving the names of such companies as may be prompt and diligent in adjusting and paying in full their actual losses in the late San Francisco fire, and also such companies as may fail so to do. The trustees shall continue to do this at least once every six months or oftener for a period of five years, or until said fund shall have become exhausted.

There seems to be a prevailing opinion on the Pacific Coast

that the fire insurance companies are possessed of unlimited funds, and that they should waive all contractual rights and pay all claims as presented, without regard to the legitimacy and correctness of the latter. Such a course would not only be foolish and wasteful under any conditions, but would be positively suicidal in the present circumstances. It would simply mean the ruination of many insurance companies, to the profit of crooked claimants and the loss of honest ones. Companies whose stock is held mainly by well-to-do people have been strengthened to meet the emergency by the voluntary contributions of their stockholders; but there are others which are not so fortunately situated, and which may not be able, however willing they may be, to pay all adjusted losses in full. They naturally desire to afford proper protection to their policyholders whose risks have not burned—in fact, it is claimed that such policyholders have preferential rights, in which case, if a company had insufficient capital and surplus to meet its losses, loss claimants would suffer proportionately if its affairs were wound up. It would therefore seem the wiser course to accept whatever a hard-hit company can pay now, than to await a receiver's settlement; and policyholders would do better to use the \$1,000,000 referred to in helping to rebuild their city, than in trying to pull down companies which have done their best to meet their obligations under most trying circumstances. Incidentally, it may be impolitic to unnecessarily vilify companies upon which the citizens of San Francisco may be in future dependent for their insurance—a most essential element of business credit. If the advertising scheme is put forth with the idea of bluffing the companies into paying claims without due consideration of their rights, or with the intention of coercing the weaker companies into paying a greater sum than lies in their power, it is destined to failure; if it is proposed as an act of vengeance or retaliation, it is likely to prove a boomerang, for such a course can only reflect discredit upon its originators and will probably have little effect upon the criticised companies. If the policyholders feel that they have valid claims, which the companies refuse to recognize, the courts are open to them, and public sentiment is in their favor as against the insurance companies. If the policyholders cannot secure favorable judgments under such conditions, their positions must be extremely weak; it is difficult to perceive how a campaign of spite, carried on through the newspapers, will be at all helpful to the members of the League.

FINAL REPORTS OF TRUSTEES' COMMITTEES.

THE trustees' committees of the Mutual and the New York Life that were appointed to make investigations of the internal affairs of the companies, completed their labors and submitted their final reports last week. The committees have evidently done thorough and exacting work, and their reports will serve as guide posts to future managements, pointing to things that are to be avoided and practices that are not to be repeated. While the reports contain evidence of irregularities, there is little that is new regarding them or that has not already been made public. The matters are gone into somewhat more in detail, evidently for the purpose of showing wherein the system of keeping a record of all transactions is at fault in not supplying the information desired

in consecutive order. The lack of system in dealing with the vast transactions of the companies has been referred to by other examiners, and the testimony of the committees of trustees will result undoubtedly in various reforms in these respects. Indeed, many reforms have already been put in practice, and it is safe to assume that the irregularities of which there has been so much complaint will not be repeated.

To what extent certain of the trustees can be held responsible for delinquencies is a question that the district attorney is considering. The worst that can be said of most of them is that they performed their duties in a perfunctory manner, trusting the management of the companies almost entirely to the executive officers. As a rule, the trustees have been selected from among prominent business men more for the use of their names as endorsing the companies than for any duty that was expected of them. But in accepting the positions they virtually pledged themselves to protect the interests of the policyholders to the best of their ability, and if their other engagements prevented them from giving the necessary attention to the business, they should have declined the honor of appointment, and so prevented the companies from trading on the strength of their names. They accepted the honor and the emoluments and should not be allowed to shirk the responsibility.

There is to be an election for trustees of these companies in December next, when there promises to be a lively contest for control. Various organizations are seeking to obtain proxies from policyholders for the purpose of concentrating their votes in favor of a policyholders' ticket in opposition to the ticket put forth by the companies, but the difficulties in the way of concentrating the votes of two or three millions of persons living in different quarters of the globe seem to be so great as to make success very doubtful. The companies are required by law to make public their nominations—and policyholders will be requested to approve of them. There have been numerous changes in the boards of late, and prominent men who are willing to do the work required of them have taken the places of those who have retired. Should the attempt to elect entire new boards of trustees composed of men having had no experience in company management be successful, the result could not but be disastrous, and against the best interests of the policyholders.

IN June last, the fire losses in the United States and Canada footed up to \$13,950,650, according to The Journal of Commerce and Commercial Bulletin. This amount represents an increase of over \$2,000,000 as compared with the losses of June, 1905. This brings the total fire waste for the first six months of 1906 to the enormous sum of \$367,665,550, a figure never before equaled in the history of the country.

Last week the supreme council of the Royal Arcanum filed an answer in the United States District Court to the suit instituted by Florence M. Simpson, who is seeking to recover a death claim of \$3000 on a policy issued to her fiancé, the Rev. Thomas H. Elliott of Noroton, Conn. Mr. Elliott died three months after being admitted to the order, and it claims that although aware that he was suffering from cancer of the stomach, he concealed his true condition from the examining surgeon when he applied for admission.

LIFE INSURANCE TOPICS

NEW YORK.

The recent English railway wreck in which a number of Americans were killed, will cost the Equitable Life over \$100,000.

Leon O. Fisher of Cleveland, Ohio, has been appointed general auditor of the Equitable Life. He has been with the firm of Haskins & Sells, public accountants, for a number of years, and was in charge of the investigation conducted by that firm of the affairs of the Equitable last year.

BOSTON AND VICINITY.

Chas. D. Hammer, who recently retired from the life insurance firm of C. D. & F. J. Hammer, is succeeded by F. J. Hammer, who becomes the head of the firm. He will continue the general agency business of the Provident Life and Trust, for Massachusetts, except the central portion, and Rhode Island.

The following additions to the recess committee of the legislature, relative to life insurance have been made: Senator Harding and Representatives Barnes, Higgins and Teeling.

NOTES FROM PHILADELPHIA.

The death last week of General Agent A. M. Funk, of the Massachusetts Mutual Life, from a stroke of apoplexy was a surprise and shock to his many friends and a great loss to the local life insurance fraternity.

Shubert, Swan & Odiorne have added to their list of companies represented the Illinois Surety, for which they have been appointed Philadelphia general agents.

Irvin Zimmerman of the Philadelphia Life has organized among some of the best producers of the company what has been styled the "Flying Squadron." The plan of this organization is for all its members to canvass some small city at the same time, literally carrying it by storm. The campaign is short, sharp, decisive and profitable, and is quickly carried to another point as each field is thoroughly gleaned.

THE MIDDLE STATES.

New York Life's Ticket for Trustees.

The board of trustees of the New York Life Insurance Company has promulgated the ticket for the new board to be elected in December in accordance with the recently enacted law on the subject. All existing officers, except the president, are eliminated from the board, it being recognized that as the trustees pass upon the acts of the officers it is not consistent that the latter should also be trustees. In view of this situation and a number of vacancies, thirteen new names are submitted constituting a majority of the board of twenty-four.

The eleven old names on the new administration ticket are: President Alexander E. Orr, John Claflin, Thomas P. Fowler, Woodbury Langdon, Robert J. Lowry, Clarence H. Mackay, Henry C. Mortimer, George A. Morrison, William B. Plunkett, Augustus G. Paine and Hiram R. Steele.

The thirteen new names are: James H. Eckels, former controller of the currency and now president of the Commercial National Bank of Chicago; David R. Francis of St. Louis, president of the Mississippi Valley Trust Company; Julius Fleischmann, head of the yeast firm bearing his name and ex-mayor of Cincinnati; Ewald Fleitman of Fleitman & Co., commission merchants, New York; Judge Horace H. Lurton of the United States Circuit Court, living in Nashville; Seth M. Milliken, wholesale dry goods, New York; John G. Milburn, of the law firm of Carter, Ledyard & Milburn, New York; Anton A. Raven, president of the Atlantic Mutual Insurance Company, and chairman of the insurance committee of the Chamber of Commerce; John Reid, general manager of the Jordan L. Mott Iron Works; Fleming H. Revell, the publisher; George F. Seward, president of the Fidelity and Casualty Company; Eldridge G. Snow, president of the Home (Fire) Insurance Company; Louis Wagner, president of the Third National Bank of Philadelphia.

Some of the thirteen old trustees whose names do not appear on the ticket have already resigned. The thirteen are: James A. Blair of Blair

& Co., bankers; Thomas A. Buckner, vice-president; Charles S. Fairchild, president of the New York Trust Company; William B. Hornblower, W. E. Ingersoll, vice-president; John S. Kennedy, banker; Darwin P. Kingsley, vice-president; George W. Perkins, Edmund D. Randolph, treasurer; Norman B. Ream, resigned; James Stillman, president of the National City Bank; Oscar S. Straus, resigned, and Henry Walters, chairman of the board of the Atlantic Coast Line.

The elimination of bankers as trustees is to avoid conflict with the law forbidding trustees to profit by the sale of securities to the company.

At the same meeting the question of the company's complying with the new French law on the deposit of reserves was referred to the finance and office committees.

Mutual Life Affairs.

An opinion of counsel was given out last week exculpating members of the finance committee of the Mutual Life from blame in connection with the transaction in the stock of the Lawyers Mortgage Company. It was claimed that the stock was accepted by former President McCurdy on behalf of the company, but was subsequently distributed among certain of the trustees as individuals. Counsel finds that Mr. McCurdy rejected the offer for the company, and that the stock was then offered at an inside price to the group of men constituting the finance committee and accepted on the condition that it could be disposed of as they saw fit.

President Peabody has declined to furnish the Mutual Life Policyholders Association with a list of policyholders to be used in the coming election. His letter addressed to Vice-Chairman Calvin Tomkins is as follows:

I have received your letter of June 27 in relation to the furnishing by this company of a list of the names and addresses of its policyholders.

The making public of the names and addresses of the policyholders of this company, which is required by law, has been a matter of serious concern to this as to other life insurance companies. I have no doubt that many policyholders would like such a list made public. I have no doubt that such publication would be a distinct convenience for many purposes. On the other hand, it is demonstrated to us almost daily that a great many policyholders (we think a large majority) object to the publication of their names and addresses in such a list, and many protests against doing so reach us.

This of course does not affect the legal liability of the company to obey the requirements of the statute in that regard, but we feel constrained to take notice of the fact that the arguments and desires of those who wish such publication and those who object to it were fully stated to the committee of the legislature, which framed the present laws, and their various views and desires were fully canvassed. As the result of such deliberation the committee of the legislature, and the legislature subsequently, on the advice of the committee, adopted a system for conducting the elections which seemed to it the fairest and most desirable to adopt, as between the various opposing views.

It seems to us quite manifest that the only proper and safe course for us to pursue is to follow exactly the lines laid down for us by the legislature and thus show no favor to one class of policyholders over another.

I regret, therefore, that I cannot see my way to adopt any course except one in strict compliance with the laws of the State.

Secretary Russell W. Fish of the Mutual Life policyholders has announced the make-up of the executive committee. Among the thirty-two members are Attorney-General Clark of Arizona, Dr. Maurice F. Egan of the Catholic University at Washington, Col. A. A. Pope of Boston, Congressman John Sharp Williams, ex-Gov. Rollins of New Hampshire, Gov. Charles of North Dakota, Rear Admiral C. M. Thomas, John Skelton Williams, the Richmond financier; ex-Judge James G. Jenkins of Milwaukee, former United States Senator Carey of Wyoming, and T. W. Paterson, president of the board of trade at Victoria, B. C.

President Charles A. Peabody has issued a circular to the policyholders of the company giving a statement of the reforms accomplished under his administration in the first six months of the present year, he having assumed office on January 1 last. The letter in full is as follows:

To the Policyholders:

On December 13, 1905, I was elected president of your company, and on that day addressed a communication to the policyholders in which the administration was pledged "to economy, to lawful methods, and to reform of existing abuses," asking you to "give me and the board of trustees a fair trial and judge us, not in advance, but by results accomplished." I assumed the duties of the office on January 1, 1906, and six months having elapsed since that date, it seems proper that I should make report to you of the progress so far made in redemption of the pledge then given.

First—There has been a complete change of the executive officers of the company. No one who was directly or indirectly responsible for the conditions that existed in and prior to the year 1905 remains in the service of the company.

Second—A rigid and thorough investigation has been made of every department of the company's business, and every abuse or extravagance detected through the efforts of the legislative committee, the trustees' investigating committee, the English and American firms of public accountants, or the management of the company, has been eliminated, and all practices and methods of doubtful propriety have been prohibited.

Third—Revised by-laws and a code of organization have been adopted (prepared in collaboration with the trustees' investigating committee) specifically defining the duties and responsibilities of the trustees and their various committees, and carefully limiting the authority and defining the responsibilities of the officers of the various departments of the company's service. A revised system of accounts has been created and an accounting department organized on

plans which insure a complete audit and detailed record of the company's expenditures and transactions, with proper verification thereof before payment. The board of trustees thus, through its various committees, reaches the arms of its authority deep down into every branch of the company's organization.

Fourth—To insure efficiency in service and economy of administration, provision has been made for regular presentation to the board of trustees and committees of statements of all transactions and comparison of results obtained by the several officers and departments.

Fifth—Under the advice and direction of the Hon. Joseph H. Choate, suits have been commenced and are now pending against those charged by the recent investigations as being responsible for the waste of the company's funds through extravagance or mismanagement for the recovery of the amounts so lost.

Sixth—Eight new trustees of the highest character and standing and residing in six different States of the Union have been elected, and as many more will be elected at an early day in place of those who have resigned or who will for various reasons do so.

Seventh—The economies introduced at the home office by the reduction in number and in pay of officers and employees, by relinquishment of many suites of offices heretofore used by the company, and by reduction in the expenses of the home office building are at the rate of \$515,000 per annum. The economies effected in the cost of agency management, medical examinations and revision work, advertising, printing and stationery aggregate \$570,000 per annum; these items alone among the economies already put in effect aggregate \$1,085,000 per year, or a gain of over \$3000 for each working day.

Eighth—Since January 1, 1906, the company's funds deposited in banks and loaned on collateral have been reduced over \$17,500,000 by investments made, thereby increasing the income. The total gain in net income from all investments during six months (June figures partly estimated) has been \$1,100,000.

Ninth—In the recent investigation by the legislative committee the record of every loan, every bond and every security of any description of this company was before them, and not an item among the investments was discredited. The integrity and value of the company's assets were again verified by the investigation and examination just completed by the English and American public accountants, whose certified statement of the assets December 31, 1905, is \$467,000 in excess of the value shown on the company's books.

Other reforms are in progress and in contemplation, and it is believed that the results of the future will be entirely satisfactory to the policyholders. If there are any suggestions that can be offered which would aid your officers in enlarging upon the beneficial results already accomplished the management will highly appreciate your co-operation and gladly receive such suggestions. No efforts will be spared by your officers to accomplish those things which will best further and protect your interests.

Death of President Harry F. West.

President Harry F. West of the Penn Mutual Life, died on July 3, at Atlantic City, from an attack of heart disease. Mr. West was born in Philadelphia in 1834, and upon leaving school entered the shipping and importing business with Samuel and William Welsh, where he attained the highest position in their employ. He then formed a partnership with John W. Powell, and continued in the shipping business for a number of years. He was then elected secretary and treasurer of the Philadelphia Warehouse Company, of which he later became president. He had also served on the boards of directors of the Girard National Bank, the Land, Title and Trust Company, Norfolk and Western Railroad, Pennsylvania Fire Insurance Company and other institutions. He helped reorganize the Philadelphia and Reading Railroad, and was at one time president of the Schuylkill Navigation Company. Mr. West's ancestors were active in the political and military affairs of the country and some of them participated in the American Revolution and the War of 1812. Mr. West, during the Civil War, served as first sergeant in Company D, Seventh Pennsylvania Volunteers, and during the Gettysburg campaign as second lieutenant of Company D, Thirty-second Pennsylvania Volunteers and was a Grand Army member. He was elected a trustee of the Penn Mutual in 1884, when he assumed charge of the company's investments. In 1895 he succeeded H. S. Stephens as vice-president and in 1897 succeeded to the presidency, taking the place made vacant by the resignation of Edward M. Needles.

Funeral services were held in St. Peter's Episcopal Church, of which he was a vestryman, and with which his family has been connected for over a century, on Friday afternoon last.

At a meeting of the home office employees of the Penn Mutual, the following minute was adopted:

That by the death of our president, Harry F. West, we suffer the loss of a kind, considerate, genial and loving associate.

We wish to bear testimony that all the relations of Harry F. West to us were marked by uniform forbearance, courtesy and kindness. He took the greatest interest in the welfare of every one of us, and was esteemed as a friend as well as an official, setting us constantly a high example of loyalty, patience, industry and goodwill. We feel that it was a privilege to know Harry F. West, and that the influence of his life has not spent itself with his death, but will continue, always urging us on to higher ideals, nobler lives and better deeds.

THE WEST.

Iowa Investigation.

The legislative commission of Iowa has gone into the matter of fraternal insurance, and as a result of the hearings these concerns may be compelled to adopt rates based on some of the standard tables. The Bankers Life of Des Moines has not yet been examined, but a number of smaller concerns have.

The National Life Association and the Limited Life Association were examined and the former was found to provide a reserve fund by taxing each policyholder at the start a sum equal to fifty cents on each \$1000 for every year of his age at the time of application. The assessments are based upon this same formula, the stipulation being that the annual levies shall not exceed sixty per cent of the contribution to the reserve fund made at the time the policy was issued. The Limited Term Life writes policies only on applicants who are between the ages of forty and sixty. Secretary T. H. Knotts testified that this system made the death rate very low and at the same time gave insurance to a man at a time of life when protection to his family was most needed. He qualified this by saying that after sixty the family of the average man was grown up and independent of his support. The rates of the association are based upon four assessments a year, varying in amount according to the age of the insured. It has been the practice of the company, however, to levy only three assessments.

This was criticised by Representative Kendall, who inquired why the fourth assessment was not made and laid away as a surplus fund. He asked if the low assessment now made would not make the rates inequitably high for the persistent policyholders later on. This was denied by Secretary Knotts, who declared himself opposed to the practice of laying up a reserve fund.

The Changes in the Pacific Mutual Life.

In connection with the changes in the official staff of the Pacific Mutual Life of Los Angeles, President Geo. I. Cochran makes the following statement to THE SPECTATOR:

Mr. Tupper resigned as president and director of this company for reasons purely personal to himself, and in no way involving the company. Certain rumors were afloat regarding him, but not in any way touching his business integrity, or his business ability, or his financial standing.

At a meeting of the board, held June 27, Mr. Tupper's resignation was accepted as president and director, and Isaac Milbank, late of New York, probably well known there as manager of the Borden Milk Company, a man of fine business ability and a capitalist, was elected in his place as a director; and at the subsequent meeting I was elected president, and Gail Borden Johnson, one of the Borden family of New York, was elected as first vice-president.

Mr. Johnson has had large experience as a business man and will devote his time exclusively to this company. On account of the heavy routine work involved, he gave up the management of the German Savings Bank of this city, an institution which, under his management, has been a wonderful success. Our board of directors and shareholders are united and harmonious and are prepared to put into the business any capital that is necessary to make it a success.

As regards our financial standing, we issued our annual statement for the year ending December 31, 1905, which showed that we had a capital stock of \$700,000 and a surplus of \$246,363. We have met with no losses or business misfortunes which should change this statement. Of course we hold a large amount of California securities, and we lost our home office building in the city of San Francisco. The building, however, was well insured in good companies, and we see no reason why our business site should depreciate in value. We hold no assets of any description upon which there is any delinquency. This is a sweeping statement and speaks well for the financial condition of the company and its investments.

Danforth M. Baker, for many years manager of the Pacific Mutual Life at Chicago, goes to the home office to assume charge of the accident department. Mr. Danforth has been elected third vice-president.

—W. R. Eidson is now with the Western Life Indemnity of Chicago as agency superintendent.

—F. W. Taylor has been appointed general agent of the Connecticut Mutual at St. Louis, succeeding E. M. Wooley, resigned.

—John A. Brown, Kansas City manager for the Equitable Life, died on July 9. He had filled this position for thirteen years.

—The Northwestern Mutual Life has recently paid \$108,039 to the estate of the late O. McHenry, this amount representing the proceeds on certain policies held by Mr. McHenry.

—The Minnesota State Medical Association has fixed the fees for life insurance examinations at \$5 for ordinary examinations; \$10 for microscopical examinations, and \$3 for renewal certificates.

—After being out for five hours, the jury acquitted Secretary of State Walter L. Houser of offering a bribe to Insurance Commissioner Zeno M. Host to render a decision favorable to the Equitable Life of New York, in a suit in which the Equitable was interested. Commissioner Host, in his testimony, swore that a slip of paper with the wording of the decision the Equitable desired was given him by Mr. Houser, and that the slip was accompanied by an offer of

\$2000 to the campaign fund of Governor La Follette in case the decision was rendered as presented. Mr. Houser admitted handing the slip to Mr. Host, but swore that he did not know its contents, and denied saying anything about a campaign contribution.

—The suit of the North American Life against the Minnesota Department to determine whether or not the company, having withdrawn from the State, may withdraw its deposit of \$150,000, has been decided in favor of the company. It will, however, leave on deposit \$25,000 to protect the nine policyholders in Minnesota. When the company transferred its United States headquarters from Minnesota to New York it deposited \$351,000 with the latter State.

—The Indiana National Life Insurance Company has been incorporated at Indianapolis, with a capital stock of \$100,000. A. H. Nordyke, James E. Killen, Horace F. Wood, Frank W. Killen, George C. Brooks and John N. Feasey are among the incorporators.

—The Kansas City Life, while operating in exactly the same territory as in 1905, reports \$2,329,241 new paid-for business for the first six months of this year, as compared with \$1,070,300 for the similar period of 1905. Assets have increased \$140,546, and insurance in force \$3,200,000. The company now has \$7,000,000 insurance on its books.

—The Continental Life and Investment Company of Salt Lake City has recently undergone several changes in its official staff. The company has \$6,000,000 insurance in force, and its assets amount to \$410,000, with a surplus of about \$100,000. The company has just been examined by the Secretary of State of Utah, and a clean bill of health given it.

—The Great Western Life Insurance Agency is being organized at Denver. The capitalization of the organization is \$2,000,000. Its incorporators for the first year are William Thomson, James E. Smith, Frank S. Tesch, Andrew F. Smith and O. L. Van Lingham. Principal headquarters are to be maintained in Denver, and important offices are also to be kept at Kansas City.

—The American Central Life reports a splendid increase in new business for the first half of 1906, with a very low lapse ratio. The company is writing all of the new business it desires this year commensurate with its age and accumulated assets, and at a decided reduction in original cost as compared with former years. A substantial increase is reported in its agency force in the nine States in which it operates, and has entered no new territory for over two years.

—An examination of the State Life of Indianapolis is under way in behalf of the Colorado Insurance Department. Deputy Superintendent E. E. Rittenhouse will conduct the investigation, assisted by S. H. Wolfe of New York. The direct cause of the examination is the operations of the Life Underwriters Agency Company of Denver, which acts as general agent for the State Life in Colorado, and whose estimates of probable results do not meet with the approval of the Insurance Department of Colorado.

—The Elkhart County Loan and Trust Company, receiver of the American Mutual Life, has brought suit against William M. Barney, president; Samuel Stewart, secretary, and R. C. Barney, treasurer, officials of the American Company, to recover \$150,000 alleged to have been fraudulently withheld, and which should be returned for the benefit of policyholders. It is alleged that among the wrongful conversions of money was the loaning of \$80,000 to the Osborne-Colwell Company of New York, in which R. C. Barney is interested, concerning which he alleged that the notes given by the New York company were secured by real estate, while in point of fact the security is nothing more than a promise to pay. Following the filing of the suit Judge Dodge of the Elkhart Circuit Court issued an order restraining the defendants from disposing of assets of the company.

THE NEW ENGLAND FIELD.

Convention of Connecticut Mutual Life Agents.

About eighty field men are attending the annual convention of the Connecticut Mutual Life, which opened on Tuesday, at 10 o'clock, with a business meeting in the company's main office and which will continue until Thursday. The agents and managers began arriving Sunday evening, and the entire country, with the possible exception of the Pacific Coast, is represented. Monday evening, there was an informal gathering in the directors' handsome room and the different visitors were presented to each other and to those officials whom they had not met before. Tuesday morning's meeting was opened by an address of welcome by President John M. Taylor, who also spoke on the topic, "The Medical Examiner's Legal Relation." Mr. Taylor also briefly outlined the more important events of the year, and other speakers and their subjects were: "Medical Selection," Dr. George R. Shepherd; "The New Contract," William H. Deming; "The New Commissions," John L. Bunce.

In the afternoon the party trolleyed to the fine old town of Farmington on special cars, and after luncheon at the Elm Tree Inn, where boniface James B. Ryan handsomely entertained his visitors, golf and an outing on the Talcott hills was enjoyed. Wednesday evening is to be spent at the Hartford Golf Club's splendid club house situated high on a hill overlooking the city, in West Hartford. Prominent citizens of

Hartford and officials of other companies will gather and meet Mr. Taylor's cohorts, a number of the visitors having brought their wives with them.

Wednesday morning was devoted to an important business session, conducted by the agents themselves, and the program follows: "The Selection of Medical Examiners," Dr. Charles D. Alton; "The New Contract," A. A. Dayton of Albany, and Theodore E. Lane of New York city; "How to Solicit Life Insurance," Henry M. Curtis of Chicago; "Our Opportunity; How to Use it," Charles E. Logan of Cincinnati, and Samuel T. Chase of Chicago.

Among the Eastern agents present were: A. A. Dayton, Albany; Theodore E. Lane, New York city; George H. Parker, Brooklyn; D. B. Cooper, Syracuse; George E. Williams, Boston; H. O. Chapman, Philadelphia; William E. Williams, Providence; S. B. Fay, Springfield; Ernest E. Decker, Portland, Me.; Frank C. Nicodemus, Baltimore; E. J. Seager, Rochester; Oscar W. Sulzbacher, New York city; William M. Burch, North Adams; Duane Ormsby, Watertown, N. Y.; William Jackson, New York city; C. H. Hitchcock, Glens Falls, N. Y., and J. C. Welsh, Poughkeepsie.

Charles Noel Flagg, the well-known Hartford artist has completed his oil portrait of the late Colonel Jacob L. Greene, former president of the Connecticut Mutual Life, and the painting which is full length and shows Colonel Greene in erect military pose has been hung in a massive gilt frame in one of the main corridors of the office, with an electric light so arranged as to throw a soft yellow light upon it.

THE SOUTH.

—The Home Life has entered Mississippi and appointed Flake, Whitten & Kelso, State agents, with offices at Winona and Jackson.

—The American Guild of Richmond issued new certificates during the first six months of this year amounting to \$2,167,500, and paid in benefits over \$150,000.

—N. F. Jackson, manager of the Fidelity Mutual in Atlanta, has taken into partnership Thomas Arline of Savannah, formerly manager for the Union Central Life at that point.

—Retiring Manager Eugene R. Black of the Prudential at Atlanta was honored by an elaborate dinner given at the Kimball House by the Georgia Association of Life Insurers, of which he was formerly president.

—The Bank Depositors Insurance Company of America has been chartered in Virginia. E. W. Mankin of Alexandria is president, and James E. Payton, secretary and treasurer. The capital of the company is \$300,000.

—William B. Wisdom, for fifteen years a special agent for the Equitable Life, under the general agency of Wisdom & Levy, in New Orleans, ended his life on Saturday afternoon, June 30, by shooting himself in the head. He was alone in his office at the time.

—The Greensboro Life of North Carolina is making a great drive for business with its "special annuity bond policy, devised in recognition of the year's services of the agency force, and upon their pledge of \$1,000,000 in new business for July, the first anniversary month."

—The Security Life and Annuity of North Carolina has entered Virginia, and placed the new territory in charge of A. M. Potter and J. D. Lawrence, with headquarters at Emporia. The new business of this company for the first six months of 1906 is double what was written during the same period in 1905.

—Quite a sensation has been created by the refusal of the corporation commission of Virginia to allow the new Insurance Commissioner, Joseph Button, to qualify. The commission's contention is that the creation of the new bureau of insurance by the legislature was unconstitutional, the commission claiming that right. Commissioner Button is conferring with counsel as to how to proceed.

—The Lamar Mutual Life of Mississippi issued its first policy on April 24, this year, and has written over \$400,000 of business up to July 9. Most of this is on the twenty-premium life-annual dividend plan, though the company's non-participating and "automatic renewal term" plans have proved attractive. A new policy has been originated and perfected by this company, called the guaranteed addition policy.

MISCELLANEOUS LIFE NEWS.

International Policyholders Committee.

Announcement was made last week of the members of the British committee and their representatives to international policyholders' committee as follows: Lord St. Oswald, Lord Armstrong, head of the Elswick Engine Works; Lord Northcliffe, owner of The Daily Mail, of London; J. S. Harwood-Banner, M. P., for Liverpool; A. Seaverns, M. P.; Haworth Booth and Robertson Lawson, one of the owners of The Daily Telegraph. Lord St. Oswald and Harwood-Banner are the delegates to the international committee. The first meeting of this latter committee was held on Monday, in New York, at the Waldorf-Astoria. Eighteen of the twenty-four members of the committee were present, and Judge Gray of Delaware was made temporary chairman. Permanent officers were

elected as follows: Richard Olney of Massachusetts, chairman; Frank J. Hanley, Governor of Indiana, vice-chairman; Samuel Untermyer, general counsel; G. R. Scrougham, organization manager, and Seymour Eaton, secretary. A committee on nominations for directors of the New York and Mutual Life insurance companies was selected as follows:

General Tracy, Fremont Older, John C. Hemphill, Governor Broward and Z. A. Lash. The following executive committee was chosen: Ex-Judge Alton B. Parker, Governor John J. Johnson, Charles Emory Smith, Harlow N. Hlgginbotham, Col. A. M. Shook, Governor S. W. Penny-packer, Governor Henry Roberts and Richard Olney, ex-officio.

The general committee then devoted its time to perfecting the following address to the policyholders of the two companies:

To the policyholders of the New York Life Insurance Company and the Mutual Life Insurance Company:

At the request of policyholders and committees representing policyholders in your companies, in the United States and foreign countries, the undersigned have consented to act as a committee to represent your interests under the name of the international policyholders' committee, and herewith submit for your consideration the following statement of facts:

1. These two insurance companies are mutual companies—that is to say, they are owned by their policyholders. The enormous accumulated assets of over \$900,000,000 represent the premiums which you as policyholders have paid.

2. The law requires that the policyholders of a mutual company shall elect from among themselves directors, who shall be responsible to all the policyholders for the intelligent and faithful management of the companies' affairs. In the actual voting as the law formerly stood, it was practically impossible for the policyholders scattered throughout the world to vote. In 1905, even after the agitation began, there were 2528 votes cast, mainly proxies, in the two companies, out of a total of over 1,200,000 policyholders, or less than one-fifth of one per cent.

3. It gradually became a recognized custom among the officers to secure through agents proxies made out to the president or some other officer of the company upon the delivery of the policy. In this way the voting power was gradually transferred from the policyholders to a few of the executive officers centered in New York.

4. Thus it came about that the control of these two companies was gradually taken out of the hands of the policyholders and came under the absolute domination of a few executive officers. Out of this system have grown the extravagances and other abuses, some of the particulars of which were brought out under legal pressure by the Armstrong investigating committee. The self-appointed directors are still in control and will remain in control directly or through their own nominees unless you as policyholders decide otherwise by the exercise of your right of simple ballot voting, which has been restored by recently enacted law.

5. At the last session of the legislature of the State of New York, the State which issued the charters of these two companies, there was enacted a law which gives to policyholders their actual voting rights. This law strikes at the very root of the evil. It cancels all previously issued proxies and provides that any proxy given in advance of October 18, 1906, shall be void. It fixes the date for the election of directors. It gives to the policyholders the privilege of nominating their own candidates and the right to vote by ballot, as in ordinary elections, and to record that vote by mail. We emphasize the fact that now is the only opportunity for obtaining complete control of your properties at one election, as hereafter under the law only one-half the directors can be chosen in any one year.

6. To secure the benefit of such law it is necessary that the 1,200,000 or more policyholders should organize into such working force as to secure harmony of action in the selection of candidates for directors. Association of policyholders have been formed in various parts of the United States and in foreign countries, each independent of the others. These associations have united in an appeal to your committee to act with the entire body of policyholders in the selection of candidates for directors—thirty-six for the Mutual Life and twenty-four for the New York Life.

The foregoing and the grave abuses of trust that gave rise to such legislation made necessary the organization of your committee. Neither the committee nor its general counsel will accept any compensation for their services. Our nominees will be representative of every section as far as possible, but under the law one-half of each board must be residents of the State of New York.

When from the names which we now invite you to submit to us for consideration, we have nominated candidates for directors, we shall have discharged the responsibility resting upon us. The election of these candidates will be entirely in your hands. The directors now in power have nominated, or will nominate, for each company what is to be known as the administration ticket. It is safe to say that they will turn every wheel of insurance machinery of which they now have control through their possession of your property to defeat your candidates and elect themselves or their nominees.

As your representatives in this campaign we advise you to disregard the influences which will be brought to bear upon you by the local paid agents, and to exercise in this as in any other election your own independent and individual judgment in the choice of the men who shall from this time forward act as the trustees of your insurance savings.

If you, as a policyholder, will intelligently exercise this personal choice and do what you can to so instruct your immediate friends who are policyholders so that they shall not be misled by the efforts of your paid agents, the success of this campaign in your interest is assured.

It is not the purpose of this movement to disturb the actual working organizations of these two companies except so far as it may be necessary to correct the abuses which are the direct result of mismanagement at the executive centers.

It will be no part of the duty of this committee further to investigate the wrongs and abuses, some of which have been exposed by the recent legislative investigation and by the inquisition of the Grand Jury which is still under way. Within the brief time which the Armstrong committee was able to devote to that phase of their investigations it was impossible for them to touch upon the administration of the subsidiary banks and trust companies, or to go beyond the mere surface of the abuses which were uncovered.

REFORM WORK IN VIEW.

Certain suits have been begun to recover moneys claimed to have been misappropriated, wasted, or lost, and it is charged that other suits should be commenced. The further investigation, the prosecution of such suits as have been begun, and the commencement of further suits, if any, for restitution, will devolve upon the new management. Those matters will constitute no part of the duty of this committee. It will rest with you to determine whether such investigations and efforts to secure restitution can be prosecuted with greater freedom and justice to you by the directors under whose administrations the acts were perpetrated and suffered, or directors named by them, or by a new management which has had no connection with and is under no obligations to the old officers.

The expense of this campaign must be borne by the policyholders. It costs over \$50,000 to place a circular in the hands of all the policyholders.

A committee on finance will have charge of all receipts and expenditures, and will see that all contributions received from policyholders are expended in their

interest. At the completion of the campaign a detailed expense report will be rendered.

Under these conditions and in the full belief that this movement is one of the most important which has ever been instituted in this country, your committee feels free to urge you as a policyholder to forward to the secretary such voluntary contribution (from \$1 upward) as you may consider it your privilege to make.

A PERMANENT VIGILANCE COMMITTEE.

Should the policyholders give expression to such a desire, this committee will endeavor to form a permanent policyholders' organization, which shall have the following among its objects:

(a) To maintain a vigilant supervision of the conduct of the business of the companies and to make an independent audit of their books through chartered accountants employed by the association.

(b) To require the annual distribution among the policyholders of the dividends to which they are entitled, and to prevent, so far as possible, the undue increase of the vast accumulations which are the prolific source of temptation to mismanagement and waste.

(c) To furnish the beneficiaries of the policies which mature by death or otherwise a means of ascertaining whether the sum that is being offered by the company is the full amount to which the beneficiaries are justly entitled. Under past and present conditions the beneficiaries must take what is offered and have no practical redress or way of ascertaining what is due them.

(d) To prevent the payment to the officers of the companies of exorbitant salaries, the use of the companies' funds for political purposes, and in the corruption of legislative bodies.

(e) To see to it that the \$33,000,000 or thereabouts of stocks of banks and trust companies which the companies are required to sell within five years are disposed of to the best advantage of the policyholders.

(f) To advise from time to time concerning the candidates for directors that are presented for election by the administration, and if necessary to nominate opposing candidates and to endeavor to restrict the operations of the companies to the legitimate scope of the insurance business.

The legislature of New York, after thorough investigation, followed by the most startling exposures of the methods of the officers and directors in the conduct of the affairs of your companies, in substance and effect has declared those directors to be unfaithful trustees of the great interests committed to their charge, has legislated them out of office, and has called upon the policyholders to choose new directors.

The nominations for new directors by this committee will in due time be submitted to the policyholders.

The address was signed by: Richard Olney, chairman, Massachusetts; Governor N. B. Broward, Florida; the Rev. Dr. Russell H. Conwell, Pennsylvania; Judge George Gray, Delaware; John C. Hemphill, South Carolina; Harlow N. Higginbotham, Illinois; Governor John J. Johnson, Minnesota; Z. A. Lash, Canada; Frederick Niedringhaus, Missouri; Samuel Newhouse, Utah; Fremont Older, California; Governor S. W. Pennypacker, Pennsylvania; ex-Judge Alton B. Parker, New York; Governor Henry Roberts, Connecticut; Col. A. M. Shook, Tennessee; Charles Emory Smith, Pennsylvania; Gen. Benjamin F. Tracy, New York; Thomas B. Wanamaker, Pennsylvania.

The Canadian Investigation.

Following the examination of the Continental Life, Addison H. Hoover was examined in relation to the affairs of the Sovereign Life. Mr. Hoover admitted that he was the promoter, owner, and at present in complete control of the company. Attention was called to the fact, that in the replies to questions asked by the Commissioner, no mention was made of the contract existing between the company and Mr. Hoover, as managing director, by which he was to receive a salary of \$2500 and one dollar a thousand on all insurance written. Mr. Hoover stated that this was an oversight. An entire forenoon was spent examining into the affairs of the bookkeeping department, Mr. Allen being the witness. Upon recalling Mr. Hoover to the stand it was ascertained that the company preferred participating business to non-participating. Mr. Hoover characterizing the latter as "cheap and nasty." The large increase in agents' compensation was laid at the door of United States companies. The witness admitted that the applications for stock in the Sovereign Life contained a provision which constituted A. H. Hoover as the applicants' proxy, thereby giving that gentleman absolute control of the company. Mr. Hoover, prior to his connection with the Sovereign, was earning from \$5000 to \$6000 a year, and he considers that his services are worth \$10,000 a year to any life company. The fact was brought out that the company had accepted notes from stockholders in payment of their stock. Mr. Hoover's paid-up stock according to the return made to the commission was \$12,325, but in reality he had paid only \$2500 in cash, giving notes for the balance. The organization expenses of the company were \$40,000. Mr. Hoover asserted that the investments of the company were all authorized and he did not believe in doing "window dressing on the last day of the year." When asked about rebates Mr. Hoover said: "This is the way I would stop rebating in twenty-four hours. Fine the company \$1000 for the first offense, cancel its license for the second offense—imprison the agent and void the policy."

The investigation was resumed in London, with the London Life, J. G. Richter, managing director, being the witness. He said he considered it improper for a company to issue both participating and non-participating forms, unless a very clear division could be made in the accounts of both departments. On the board of directors there are three policyholders directors, two of which are only policyholders, while the

third is also a shareholder. The stock control of the company is vested in the family of the late President Jeffrey. The loading on ordinary business is from twenty to thirty per cent, and on industrial premiums from fifty to one-hundred per cent. The company is changing its reserve basis from four per cent to three and a half per cent and expects to have this accomplished by 1910. A few bonuses have been paid to agents, although Mr. Richter does not approve the practice.

The Northern Life was examined and President T. H. Purdon stated that out of \$1,000,000 authorized capital, \$836,800 was subscribed, and \$213,850 paid up. The evidence is said to show that the company handled some unauthorized securities. Canadian Pacific had been bought and sold at a considerable profit. Mr. Purdon thought that the policyholders should not have any representation in the board. Loans have never been made to directors, but directors have obtained loans for companies in which they were interested and the Dominion Loan and Savings Company, of which Mr. Purdon is president, obtained loans. The Northern had \$100,000 paid up in cash, of which \$56,000 was invested in Huron and Erie. This investment, because of its size, was criticised by Mr. Tilley, as was also a deposit of \$75,000 with the Dominion Loan and Savings. Mr. Tilley next took up a transfer of unpaid stock to the witness and other directors. Eight hundred and sixty-seven shares were transferred to witness, on which not a dollar was paid, said the president of the Northern Life. Mr. Purdon explained that this was put through in this manner because certain parties wanted to buy the company, and not wishing to sell, the directors assumed the old stock subject to call. It transpired, however, that this call was never paid, "because there was no need to."

Counsel presented the by-law of the company enacted December 12, 1905, making the transfer on a basis drawn up by the directors and establishing a special way of declaring dividends which caused considerable inquiry and comment.

Speaking of investments Mr. Purdon told the commission that it was absurd to permit a company to invest in trolley tractions and not in C. P. R. Industrial stocks were generally good and in his opinion the government should leave the matter of investments entirely in the hands of the directors.

Mr. Tilley then referred to an agreement with John Ferguson, one of the directors, showing that he was to buy \$10,000 of two per cent renewals. This was a straight gamble on Ferguson's part and Mr. Milne said that it was treated as a loan from Ferguson and he was taking the renewals as security. The deal didn't appear in the returns to the government.

Life Insurance Inquiry by the House of Lords.

Paul Morton, president of the Equitable Life, and Emory McClintock, vice-president of the Mutual Life of New York, appeared on Friday last before the select committee of the House of Lords on life insurance companies. Mr. Morton explained the methods by which the Equitable was conducted, and called attention to the special provision made for the security of British policyholders by the \$500,000 deposited in the Bank of England. He considered that the investigation had clearly shown the sound financial position of the society, but admitted that confidence in it had been restored more in America than abroad.

Mr. McClintock handed the committee reports of the Mutual's affairs, saying that the documents showed a satisfactory condition of its investments. In his opinion it was not desirable to make special provision for the British policyholders. It was a mutual company, and the British and American policyholders shared all the advantages. He objected to the creation of any special reserve in this country.

Mr. McClintock declined to say whether he would be in favor of the company's officials in England summoning occasional meetings of the British policyholders. Answering other questions, Mr. McClintock said he could not say that all the policyholders were entirely satisfied, but he had reason to believe that, on the whole, they were satisfied with the position of the company.

A. Howett, president of the Faculty of Actuaries of Scotland, in testifying to the differences in the methods of the British and American companies, said that in the case of the former it was possible to find out at once the provisions for future profits and expenditures, but not so with the latter. For instance, an English company spent fifteen per cent of its premium receipts in conducting its business, but provided for twenty-one per cent. An American company said it reserved the whole margin between the gross expenditure provided for and the net sum expended, but there was no way of finding out what that margin was. Some were spending more than provided for.

Mr. Higham, chairman of the Life Office Association, urged that foreign companies doing business in England be compelled to make returns under the life insurance act relating to their business in this country.

VARIOUS ITEMS.

A company in London, England, professing to have funds amounting to £1,000,000 is offering to guarantee the face value of policies in American life companies for a premium of two shillings on each £100.

—John L. Denison, since 1878 with the Travelers as special agent, died at his home, 26 Huntington street, Monday evening, after an illness of eight months, death being due to a general breaking down.

—The firm of Hadley & Johnson of Buffalo, representing the Mutual Benefit Life in Central and Western New York, has been dissolved, George F. Hadley resigning. Mr. Hadley will not altogether sever his connection with the company, but will write business for it at Syracuse. He expects to spend considerable time each year at his summer home at Martha's Vineyard, and the winter seasons will be spent somewhere in the South.

INDUSTRIAL INSURANCE

—Frank L. Spangler, formerly with the Metropolitan, is now acting as superintendent of the West Coast Life at Spokane, Wash.

—The East Liberty (Pa.) district of the Metropolitan, under Superintendent James A. Wilson, leads the State of Pennsylvania in industrial increase.

—A delegation from the Dover (N. J.) district of the Prudential visited the home office recently, as the result of winning out in a contest within the district for increase.

—Assistant D. M. Buckley of the Prudential's New London (Norwich) district is out with a challenge to any assistant in his division for joint results during the third quarter.

—For the week ending June 25, Mann of Fayetteville led the superintendents of the Life Insurance Company of Virginia. Next to him comes Harrison of Atlanta, Montgomery of Atlanta and McCary of Shreveport.

—The Life Insurance Company of Virginia has made changes and promotions as follows: Assistant S. M. Stith, Atlanta, appointed traveling assistant superintendent, and agent J. W. Bowlan succeeds him as assistant at Atlanta.

—Charles P. Nelson, assistant superintendent for the Metropolitan at Concord, N. H., has received a special commission as assistant for the State of New Hampshire, and George B. Wright succeeds to the position vacated by Mr. Nelson.

—The Colonial has announced the following appointments to assistantcies: W. A. Wilkinson, Pottstown; W. H. Fielding, Williamsburgh; J. P. Curran, Philadelphia; M. R. O'Donovan, Trenton; Joseph Melillo, Bronx, and W. W. Myers, Easton.

—Superintendent M. H. Linnell of the Prudential's Jersey City No. 2 district conducted the staff's annual outing last month. The force went up the Hudson to Newburg, and after sight seeing and games returned well satisfied with the day's sport.

—Superintendent Hardy of the Prudential at Philadelphia recently gave a dinner to his assistants at Belmont Park Mansion. A business meeting followed, and plans were laid for future work, which undoubtedly will push Philadelphia well to the front.

—Superintendent A. W. Hindle of the Prudential at Newburgh, with six assistants and eighteen agents, visited the home office recently, as the result of winning out in a staff contest, and were the guests of the company at luncheon, when they were addressed by Second Vice-President Forrest F. Dryden, who commended the good work of the district.

—The Prudential's superintendency leaders in industrial increase for the year are: G. J. Wink, Wilmington; Z. T. Miller, New York 8; J. Reid, Milwaukee 1; J. M. Mackintosh, McKeesport; J. C. Cook, St. Joseph. The leading assistants are: S. P. Miller, Joplin; B. R. Cosby, Joplin; H. Zolte, Buffalo 3; M. Mayer, Long Island city; P. M. Russell, New Albany.

—Superintendent L. W. Post of the Prudential at Middletown, N. Y., has been transferred to the Brooklyn No. 2 district after eight and one-half years' service as superintendent of the former district. His successor is George E. Smith of the Middletown district, who has had twelve years' experience with the company, during ten of which he has been assistant.

—Superintendent Jones of the Life Insurance Company of Virginia at Raleigh, who declined to accept a challenge from Superintendent Elliott of Greensboro last March, has now offered to enter into a contest with the latter district, but as Superintendent Elliott's district has just under-

gone redistricting and is more or less upset, the challenge will not be accepted at this time.

—Among the Prudential's recent appointments to the staff of assistants are: F. I. Spinney, Boston 2; J. N. Carr, Manchester; J. E. Parker, Philadelphia 3; I. H. Brumbaugh, Washington; H. H. Wise, Akron; J. F. McShane, Cincinnati 2; G. J. Wood, Middletown; J. Mulligan, Saratoga; G. S. O'Brien, Saratoga; B. W. Porter, Chicago 7; H. H. Ferguson, Charleston; G. Weiershauser, St. Louis 1.

FIRE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

The value of sprinkler leakage insurance was illustrated recently in the settlement for the accident to the tank on the Adams drygoods building on Sixth avenue. The amount agreed upon was \$9000, and the company which made the payment had a policy of only \$15,000 against damage to a stock valued at nearly \$1,000,000.

The Fidelity of this city is rolling in an enormous premium income already, and it is freely predicted that its receipts for the current six months will far exceed the amount ever taken in the same period by any new company ever organized in this city.

Nothing is being done or proposed to carry out the scheme agreed upon by the separate action of both the Exchange and Board of Underwriters looking to a merger of certain branches of the two organizations. But there is still an air of uncertainty which has an effect upon the clerical force in both offices. There is an understanding that the Board committee, which is to act in concert with the Exchange special committee, will have to be reorganized to conform to the changes in the regular standing committees. Until this is done, the special committee of the Exchange is powerless.

The companies are in almost daily receipt of letters from friends in New York relative to delay in settlements of the San Francisco losses. The New York creditors of San Francisco houses are importuning certain companies to hasten adjustments, and occasionally a director of a company joins in appeals to companies, trying to influence such action. There are some signs of a transfer of the bulldozing tactics from California to New York, and strong hints are heard of public meetings here to denounce and possibly boycott companies whose losses are not paid. The performance of the yellow journals on the Coast finds ready repetition here, and it is believed this is only a beginning of another phase of the troubles of the companies.

The Fourth of July fire losses were not up to the average of several years, which is a cause of rejoicing among the fire offices. The reverse is true of the losses of June, which are ahead of the last four years. In the course of some general inquiries on this subject, we were informed that several companies counted June as among the worst months this year, aside from the San Francisco conflagration.

Several more adjusters and officials have returned from the Pacific Coast, and their general comment upon the situation there and the conduct of certain companies are as vivid as they are interesting. One Western company with large assets, which has advertised its ability to pay promptly, it is now asserted by the returned adjusters, had not paid a cent up to the 30th ulto.

Speaking of slow adjustments, it is noted that the Staten Island cotton losses, now a month old, have not yet been adjusted, and in other cases proofs of loss more than two months old have been in the hands of the loss committee for that time, waiting completion.

In a recent proceeding in Albany on behalf of the Baloise Insurance Company, to recover its deposit in this State, its outstanding liabilities having been discharged, the point was made by the Attorney-General that the deposit should not be released until it was settled that no policies on United States property have been issued in any other country by the company. This is a surprising position indeed, and far beyond any contention previously urged. The point is combatted by the company's attorneys on the ground that the deposit by its terms covers only risks covered by policies within the United States.

This case also involves the question whether the New York deposits are liable for policies written in the Philippine Islands.

The publication of the returns of the companies, as of June 30, of the San Francisco losses required by the Insurance Department of New York already reveals some striking increases in the losses since the preliminary estimates were printed in May. The item of reinsurance seems to be the key to the final figures.

Hon. H. M. Coudrey of St. Louis, Mo., member of United States Congress, and president of the St. Louis Association of Fire Insurance Agents, was in New York last week. H. M. Coudrey & Co. have just been appointed St. Louis agents for the Hamilton Fire of New York. This should prove an excellent connection for the Hamilton Fire, as the firm named is one of the leading agencies in St. Louis. Mr. Coudrey has the faculty of surrounding himself with able men, and the various branches of his business are in charge of experts in their respective lines.

The Germania Fire has declared a semi-annual dividend of five per cent, the Commonwealth a regular dividend of 3 per cent and an extra one per cent, the German-American a semi-annual, extra and special dividends aggregating fifteen per cent.

J. Ramsay Barry & Co. of Baltimore, have taken offices at 95 William street, New York, where they will represent the New Jersey Fire Insurance Company for the United States, and the Cosmopolitan Fire and the Shawnee Fire for the Eastern States. Sydney Ashbridge, who will have charge of the underwriting, has had a broad experience in fire insurance and is favorably known in Eastern underwriting circles.

The Hanover Fire's new stock was considerably oversubscribed.

Frank Lock, United States manager of the Atlas of London, has returned from Europe.

CHICAGO AND THE WEST.

Hundreds of suits will have to be brought by the Traders Policyholders Association to recover from the Traders Insurance Company according to information forwarded to Chicago from the association's headquarters in San Francisco. The find which practically nullifies the incorporation of the claimants resulted from news contained in letters from Illinois correspondents of the association informing the officers of the organization that under the Illinois law an assignee for collection cannot bring suit in Illinois courts. The Traders Policyholders Association was organized and incorporated in order that their claims might be presented in a single unit, thus carrying weight and precedence greatly superior to that attached to an individual action which, moreover, would be so expensive and so slow as to be practically prohibitive.

Judge Mack, who put the Traders into the hands of a receiver, has ordered that all claims must be filed within ninety days from June 29. This covers general claims, the filing of further loss claims being already barred by the sixty-day limitation in the contract, the Traders having refused to extend the time.

Action by the State of Indiana against the Wabash Insurance Company of Hammond, it is represented, was the real cause of the concern's suspension of business, the explanation given by President F. S. Gray, who resides in Chicago, having been that the company's losses in San Francisco caused the suspension. It develops, according to Hammond advices, that only a line of \$11,000 was insured in the Wabash. The company is now said to have suspended business because Auditor Bigler of Indiana was notified by Attorney-General Miller that the Wabash was doing business illegally. President Gray has asked the State auditor if his company may be reorganized under the special charter under which it has been operating, but no decision has been reached. The charter owned by the Wabash was first granted to the Fort Wayne Insurance Company in 1850. That company was succeeded by the Equitable. The latter went into receivership and then Mr. Gray bought the Equitable charter, discharged the receivers, and thus claimed to have the charter directly. The Attorney-General claims the charter could not be transferred before the Equitable ended its receivership. The broad privileges of the

special charters granted in the early days of the Indiana Legislature have made trouble for all the companies except two. The matter will be taken into the courts for settlement, and President Gray has announced that the Wabash will write no more business until the case is settled. That the company is preparing to wind up its business was indicated when all the Lake county risks were reinsured.

President W. N. Kremer of the German-American of New York was in the city last week to attend a banquet of the Western department of the company, held at the Union League Club, there being twenty-four present.

The Chicago Board of Underwriters will hold its annual meeting in conjunction with the contributors to the patrol fund, this week, to make the appropriation for the maintenance for the patrols for the ensuing year.

BOSTON AND VICINITY.

The Massachusetts Mutual Fire Insurance Union has adopted the advanced rates of the New England Insurance Exchange.

The New Bedford (Mass.) Board of Fire Underwriters is opposed to the advance of twenty cents, claiming that the advance is an injustice to their customers.

Chas. H. Hoxie has been appointed special agent of the Security of New Haven, and will have headquarters in Boston. He succeeds J. W. Hemmenway, resigned. Mr. Hoxie was formerly an inspector for the New England Insurance Exchange.

President R. B. Fuller of the Boston Insurance Company, who has been seriously ill, is now at his summer home at Marblehead, where he hopes to soon fully recover his health.

NOTES FROM PHILADELPHIA.

Now that the minority opposition, which recently defeated a similar proposition, has been withdrawn, the board of directors of the Insurance Company of the State of Pennsylvania has called another special meeting of the stockholders of said company, to be held on September 5, 1906, for the purpose of voting for or against a decrease of the capital stock of the company to \$200,000.

The Lumbermens has declared a semi-annual dividend of six per cent.

Wm. A. Simpson & Son have been appointed the sole agents in this city of the German Fire of Wheeling, W. Va., succeeding the late George G. Crowell.

The Fire Association of this city has appointed T. J. Trout of Altoona special agent.

Lucy P. Crowell and Herbert Davies, the well-known insurance broker of this city, will continue the insurance business of the late George G. Crowell, under the same firm name, for the interest of his estate.

The effect of the San Francisco conflagration on the business written by companies in congested sections of cities is beginning to be felt in Philadelphia. Several companies have either ceased writing business there altogether or discontinued accepting new business, and one is canceling its outstanding risks by paying pro rata gross return premiums, whether a commission had been paid on the business or not. Some other large companies which did considerable reinsurance have discontinued the practice, and at least one company has canceled and reissued policies for its net line, on risks in the conflagration district, upon which reinsurance had been effected. As a result brokers are again encountering some of the difficulties experienced before the installation of the high-pressure fire mains in placing risks in the congested area.

—The latest of the British Fire Prevention Committee's reports are "Red Books" Nos. 106 and 112. Both books deal with "Fire Tests with Floors," being tests made of floors of reinforced concrete on the Coignet system, erected by Edmond Coignet, Paris and London. Copies of either may be procured through The Spectator Company, New York, at \$1.25 each.

THE MIDDLE STATES.

The Westchester Fire Insurance Company.

The Westchester Fire, which has been in continuous and successful operation for more than six decades, has again demonstrated its ability to meet its every obligation fully and promptly and to weather the worst calamity that has befallen fire insurance in the history of the world. Its semi-annual statement as of July 1, 1906, which has just been issued, shows that on the above date the company possessed total assets amounting to \$4,308,778, an increase of \$255,296 since December 31, 1905. Its total liabilities—inclusive of \$720,095 for unpaid losses in the San Francisco conflagration—were \$3,089,188, and its net surplus over capital and all other liabilities \$919,591. As the company's paid-up capital is \$300,000, a surplus to policyholders is shown amounting to \$1,219,591. The officers of this staunch old New York company are: George R. Crawford, president; John Q. Underhill, vice-president and treasurer; M. O. Brown, secretary, and John H. Kelly, assistant secretary.

—The Insurance Company of North America, of Philadelphia, has declared a dividend of six per cent.

—Charles Tredick & Co. of Philadelphia have been appointed agents for the Guardian Fire of Pittsburg for Philadelphia and vicinity.

—The National of Hartford has appointed N. C. Rorabaugh as special agent for Western Pennsylvania, with headquarters at Pittsburg, succeeding J. Harvey Patterson, resigned.

—Louis S. Amonson has been elected first vice-president, and M. J. Nowlan, third vice-president, of the Insurance Company of the State of Pennsylvania, of Philadelphia. They both retain their offices in the Union Insurance Company.

THE WEST.

—In the withdrawal of the Royal from the Surplus Line Association, the latter organization loses one of its most prominent members.

—Walter H. Sage, Western manager of the German-American of New York, succeeds S. A. Rothermel as a director of the Western Adjustment Bureau.

—An assessment of \$250 per share has been levied upon stockholders of the Calumet of Chicago to enable it to meet its San Francisco losses and continue business on a substantial footing.

—A twenty-five per cent advance on policies on metal mining risks dated later than June 29 has been ordered by the Rocky Mountain Fire Underwriters Association, because of heavy losses on such risks.

—C. W. Goodc, formerly with the Traders, and latterly with the Western department of the German-American, has been appointed special agent in Illinois. James Prundritt, who has been with the company for nineteen years, has been made special agent for Oklahoma, succeeding John Gibbons, who is now on the Pacific Coast.

—W. M. Umbdenstock & Co. of Chicago have been given an independent line agency for Cook County, Illinois, of the United Fire Policy, issued by the Seaboard F. and M. of Galveston, Tex., and reinsured by the Commonwealth of Dallas and the Commercial of Houston. The Illinois license of the Seaboard was expected to be issued July 6.

—The Western Union has requested its companies to instruct their Indiana representatives to withdraw opposition to the Dean schedule. It is believed that this will dispose of the opposition by the Indiana State Board, but the Indiana League is still opposed. R. C. Clark, surveyor of the league, has asked all the local State inspectors to withhold promulgation of the proposed advance from the non-union agencies pending further consideration, and if the notices have been sent out, to recall them. The league has appointed a commission to consult with the managers of the non-union companies at Chicago, who are said to favor an advance.

THE NEW ENGLAND FIELD.

Hartford Observations.

[FROM OUR OWN CORRESPONDENT.]

The National Fire, at its recent directors' meeting, the first meeting since the San Francisco disaster, decided to pass the customary July dividend, this year. The Aetna some time ago declared its usual four per cent dividend, and the Connecticut voted the usual semi-annual dividend of six per cent on the reduced capital of \$500,000. The new stock certificates for the \$500,000 stock issued at \$200 a share to meet the San Francisco emergency will not be issued until October 15. The Hartford declared its usual ten per cent dividend for the half year, but omitted the five per cent extra dividend, frequently declared at this time. The Phoenix did not vote its customary dividend for July.

The total fire waste in Hartford for the first six months of 1906 was only \$50,020. The fire in the handsome residence of Lafayette E. Pike,

early in the year, which cost the Scottish Union and National over \$30,000, is the heaviest item of the whole sum.

It seems likely that the Connecticut State Business Men's Association will either file a protest with the New England Insurance Exchange against the advanced rates in Connecticut, which went into force about a week ago, or will take some other action calculated to restore the tariff to its former basis. Reports from New Haven indicate that the business men of that city are stirred up, to a considerable degree. Mr. Joseph B. Cunningham, president of the New Haven Board of Fire Commissioners, states that, in his opinion, New Haven is not receiving a square deal in being forced to stand for an increase, and bases his reason on the fact that New Haven complied with the requirements and improvements suggested by the inspector of the National Board and erected new engine houses.

Among the companies recently admitted to Connecticut are the Calumet of Chicago, the Southern of New Orleans, and the New Brunswick Fire of New Brunswick, N. J.

Hartford is to have a new fire-engine house, to accommodate a new Amoskeag engine and a combination ladder and hose truck, on Blue Hills avenue. This apparatus will cover a section which has long needed protection and which is growing up fast. Another Amoskeag engine is to be purchased to replace an old machine which will be stored for emergencies. It would appear a wise measure if the board of fire commissioners would get out their old truck from the top floor of a wagon-shop and place it also in commission.

The funeral of Judge Nathaniel Shipman, who died at his home in Hartford last week, was largely attended by insurance men of this city. Mr. Shipman was a director and stockholder in several of the larger insurance companies here.

UNDERWRITER.

Hartford, July 7.

THE SOUTH.

Southern Notes.

[FROM OUR OWN CORRESPONDENT.]

The committee sent out by the State Legislature to investigate the Louisiana Fire Prevention Bureau completed its investigation this week. The evidence produced all through the investigation has been of a nature calculated to inspire additional confidence in the public mind that the bureau is a good thing for the State. Its opponents have had some very disconcerting facts placed before them by these investigations. Mayor Querbes of Shreveport, who has more than a local reputation for honesty and fearlessness of purpose, made an official statement before the investigating committee on Saturday, to the effect that the Louisiana Fire Prevention Bureau had saved to the citizens of Shreveport \$65,000 in the cost of insurance. All the information obtained by the committee was so conclusively in favor of the bureau that Mr. Hughes, who introduced the bill for the abolition of the organization, apologized for his act.

The New Orleans second agency of the Phenix of Brooklyn has been transferred from LeBlanc & Railey to Dan A. Rose.

New Orleans, July 6.

CRESCENT CITY.

The Atlanta-Birmingham Deal.

Following the announcement, in last week's issue of THE SPECTATOR, regarding the reinsurance of the Atlanta-Birmingham Fire in the Prudential of Tazewell and the latter's plan to increase its capital and surplus, comes the news that J. T. Dargan and Robert N. Hughes, president and secretary, respectively, of the Atlanta-Birmingham, have been elected to fill the same offices with the Prudential. M. S. Pendleton, who was secretary of the latter company, becomes general agent for the Virginias. The Prudential's affairs will be managed by practically the same office and field force as that in charge of the Atlanta-Birmingham, but the two corporations will be distinctly separate. The Atlanta-Birmingham continues in business though in a restricted way, and the Prudential will, as rapidly as may be, enter the various States in which the Atlanta-Birmingham is now operating.

—The Kentucky Board of Fire Underwriters has adopted an increased rate schedule, effective July 1, by which the rates on public buildings, churches and schools were raised twenty per cent, and saw-mills fifteen per cent. Dwellings remain as before.

—The Virginia Corporation Commission is reported as having declined to allow Colonel Joseph T. Button to qualify as Insurance Commissioner. He was elected

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to the office by the recent legislature, and the question now at issue appears to be as to whether the legislature had power to appoint a Commissioner or whether the appointment should not have been left to the Corporation Commission.

—A bill, which proposes to nullify the iron safe clause and permitting other insurance without notice, is before the Georgia Legislature, now in session. Several managers have advised their local agents in small towns and villages throughout the State to stop writing business if this bill becomes a law.

MISCELLANEOUS FIRE NEWS.

San Francisco Conflagration Developments.

C. W. Higley, Western manager of the Hanover Fire, who recently returned to Chicago from his second visit to San Francisco, says that nearly four thousand frame buildings have been erected in the burned district, many of them of substantial construction, and that the congestion of these inflammable structures in some sections of the city has forced rates as high as twelve per cent.

The San Francisco policyholders of the Rhine and Moselle of Strasburg have decided to form an association to take legal steps, if necessary, in order to compel the company to pay its San Francisco claims.

Robert Mathis, manager of the Rhine and Moselle from the home office at Strasburg, is reported to have said that no decision will be reached by the company regarding earthquake liability until Mr. Mathis has reported his findings to the head office.

The Firemans Fund has issued a circular to agents over the signature of Vice-President Faymonville, in which the latter says, after reviewing the conditions leading up to the organization of the Firemens Fund Insurance Corporation:

The old Firemans Fund will now devote itself to the task of ascertaining and liquidating its losses by the San Francisco disaster. At the clamorous demand of the public, the time for filing claims was extended to August 18, and, as the company has no recourse of its own, it will be compelled to wait until that date before its final liability can be determined. We are adjusting the company's losses fairly and honorably, on the merits of each case. We are not exacting an arbitrary deduction of twenty-five per cent or any other per cent, and our adjusting department has absolute instructions to assist every claimant in the preparation of his proofs and the completion of his legitimate claims against the company. We intend to pay all legitimate claims, dollar for dollar, and to do so the company will surrender every penny it possesses. If it does not possess sufficient funds to go around, it will call on its stockholders for more. I know that other officers share with me the sentiment that we are personally prepared to yield up all we have left to meet our share of the liability and to preserve the good faith of the company.

Insurance Commissioner Wolf of California is of opinion that the earthquake amounted to nothing and would have been forgotten in ten days if it had not been followed by a conflagration. He claims the only deduction justifiable for earthquake damage is between two and three per cent.

The Continental of New York is settling its losses at the rate of about twenty a day and has disposed of about 600 out of a total of 806 claims filed.

The Liverpool and London and Globe has settled nearly 1300 claims.

V. Carus Driffeld, Pacific Coast manager of the Transatlantic of Hamburg, has resigned.

The Union Assurance Society of London will deal liberally in the adjustment of all claims arising from the San Francisco conflagration. The company denies that it has voted in favor of a fixed deduction being made from adjusted claims.

Wm. Kelday has taken charge of the adjustment of the losses of the Austrian-Phoenix, succeeding A. W. Hart, who has returned to New York.

Among those who will shortly visit San Francisco are: E. Roger Owen, general manager of the Commercial Union of London; W. P. Abel, foreign superintendent of the Norwich Union, and Douglas Owen, of the Alliance of London, all of whom arrived in New York this week.

The Sun Insurance Office.

The Sun Insurance Office of London, besides being the oldest fire office in existence, is one of Great Britain's giant institutions, transacting a world wide business. The Sun's total assets on December 31, 1905, amounted to £2,991,523, and its total liabilities, exclusive of capital and general and special funds, were £797,075, its reinsurance reserve being £527,732. The company's balance at credit of profit and loss account at the end of 1905 stood at £463,672. The general and special funds which the company includes under the head of liabilities in its 1905 home office statement, are not among statutory or obligatory requirements, but are built up and voluntarily set aside by the company as an additional bulwark of strength in case of emergency. On December 31, 1905, these funds were as follows: General reserve, £1,350,000; special reserve, £120,000; dividend reserve, £120,000, and investment reserve, £40,775; a total of £1,634,775. These items, together with the balance

to credit of profit and loss account, which latter, after providing for the increase in unearned premium fund and the payment of dividends, amounted to £340,900, would, under the American form of statement, constitute surplus, making that item £1,975,675, or nearly ten million dollars.

During 1905 the Sun Insurance Office received £1,319,330 of net premiums, an increase of more than £13,000 over that of the preceding year. Its net investment income was £97,344, bringing the total income up to £1,416,674. During the same period the Sun paid £605,390 for losses, and £465,023 for commissions and management expenses; thus showing a loss ratio of 45.8 per cent, and an expense ratio of 35.2 per cent. A dividend of five shillings and sixpence per share was declared, which, with four shillings and sixpence already paid as an interim dividend, makes ten shillings for the year. The par value of the Sun's shares is £10 each, of which ten shillings per share has been paid in; its authorized capital being £2,400,000, and its paid-up capital £120,000. In view of the highly favorable experience of the Sun's 1905 operations, no special provision is necessary for the payment of the company's San Francisco claims as it is expected that the actual loss in that conflagration will fall short of the amount credited to the profit and loss account.

The San Francisco Disaster—Another View.

[TO THE EDITOR OF THE SPECTATOR.]

The sympathy of the entire country responded promptly to the great catastrophe at San Francisco. The practical result of this sympathy was a sum of \$20,000,000 devoted to the immediate relief of the sufferers. This was followed by a large sum from the United States Government. Now that the fervor has cooled, the contributions to the charity fund have ceased and the "irrepressible conflict between those who have and those who want" has been renewed.

Writers for the newspapers could not give money, but they gave freely of their imagination, and pictured "a new San Francisco rising from the ashes of the ruined city, richer in material resources than ever before, and with an added prestige as the gateway of the Pacific," because her misfortunes had advertised her to the world in a way that years of good fortune could not have done. This brilliant dream of the newspaper writers will probably be realized. Such regeneration and increase of wealth and prosperity have always followed great calamities in modern cities. Chicago, Atlanta and Johnstown are living witnesses of the material benefit of a great catastrophe.

But just now it is time for stern justice to step in and arbitrate between the party of the first part, with her crown of martyrdom, claiming the right to be restored, and the poor obscure stockholders of insurance companies who are asked to pay for the restoration more than was "nominated in the bond."

If the estimate of the fire damage at \$300,000,000 be correct, and the insurance companies are called upon to pay \$250,000,000, this amount, added to what the Government and charity have already sent to San Francisco, will leave that city a gainer, and the balance of the country the real sufferers by the conflagration.

Does the rich, or moderately well to do, citizen of San Francisco realize that to pay him in full for all his losses will impoverish many a widow and orphan elsewhere, whose sole means of support was a little dividend from some insurance stock that a provident father or brother had left as their only legacy? Should there not be some fair compromise? Especially where the contract did not provide for earthquake damage? Should not the resident of San Francisco say to the poor insurance stockholder: "If it takes all you own in the world to pay me all I have lost, let us divide. You may pay me seventy-five per cent of my loss and keep twenty-five per cent for your own support."

This may seem an extreme view to the uninitiated, but any man familiar with the business knows that insurance stock is not usually held in large blocks by rich people, but is scattered widely among many poor families.

This experience, however, is not peculiar to the holders of insurance stocks. The conspicuous figures who stand in the lime-light of great calamities and great wars are not the ones who pay the forfeit. When Baron Hausmann was given carte blanche by the last Emperor of France to remodel and beautify Paris, the enormous expense was not drawn from the royal exchequer, but from the taxes imposed on the poor artisan and the toiling peasant, and when that splendid city was left to the ravages of a mob and a hostile German army, did the dis-crowned Emperor and Empress and the royal court pay the cost of the war? No, they retired on princely incomes to the hospitality of a friendly nation, and the awful indemnity imposed by Germany was paid by the francs stored away in the stockings of the industrious peasant women.

And so it is with San Francisco. Because this radiant Cinderella of the West has met with an accident, her homely sisters are asked to give up their little hoard to buy her a new glass slipper.

The position taken by the president of the National Insurance Company of Hartford is simply just. As an individual he may be as generous as his sympathies dictate, but as the trustee of his stockholders' funds he is right to pay exactly what the contract in his policy calls for.

The New England conscience may not be generous, but it stands for absolute justice in the business world, and the motto of the Hartford companies has always been, "pay 100 cents on the dollar for every just claim against the company, but every penny beyond that is robbery of the stockholders." Of course, the situation at San Francisco is complicated and requires calm investigation and deliberation. But the earnest attempt to reach a just solution will not be aided by recrimination and abuse, nor will premature and violent action on the part of State officials help the residents of the burned city.

Let the citizens of California read the letter of their own Governor Párdee on the subject of State insurance, and then realize what a benefit it has been to them to insure in companies of other States. The Governor says:

"The amount of insurance carried was somewhere between \$200,000,000 and \$250,000,000. Now the assessed valuation of all improvements in the State has usually been about \$550,000,000. Assuming that \$350,000,000 of this amount represented improvements destroyed in San Francisco, that would leave \$200,000,000 of assessed valuation of improvements in other parts of the State. So, if the State had been carrying \$200,000,000 of insurance on property destroyed in San Francisco, the owners of improvements in other counties, if called upon to foot the bill, would have been compelled to pay an amount equal to the total assessed valuation of their property. Of course, this would have meant practical bankruptcy for the whole State."

When the Governor of California takes his stand on that cold-blooded basis of commercialism, while the smell of fire has just vanished and the helpless ones who had no insurance, and nothing to insure, are still being fed by the contributions from other States, is it not time to eliminate sentiment and get down to a settlement of the literal contract in the policy?

J. R. McCAY.
New York, July 9.

VARIOUS ITEMS.

—W. H. Breeding of San Francisco has been appointed manager for the Seaboard Fire and Marine of Galveston, Tex.

—The annual meeting of the National Convention of Insurance Commissioners will be held at Washington, D. C., on October 2.

—Two new mutual fire companies, the Industrial Mutual Fire and the Eastern Manufacturers Mutual Fire, with offices at Toronto and Montreal, will be organized at an early date.

—The Brandon Fire Insurance Company has been organized at Brandon, Manitoba. S. W. McInnis of the real estate, insurance and financial agency firm of McInnis & Clark is its president.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Concordia Fire Insurance Company, Milwaukee.

This company will issue \$100,000 of new stock at 150 per cent, thus adding \$100,000 to capital and \$50,000 to surplus. The new issue has been fully subscribed.

Europa Reinsurance Company, Berlin, Germany.

This company's statement dated December 31, 1905, shows assets amounting to 6,645,689 marks, including 2,250,000 marks of stockholders' notes. After providing for unearned premium reserves in various branches (fire 1,288,623 marks), 1,791,328 in all, loss reserves aggregating \$77,922 marks (fire 717,723 marks), adding to other reserve funds, and setting aside 45,000 marks for dividends, the company carried forward a profit balance of 6835 marks. The company's net fire premiums in 1905 were 2,996,796 marks, and its fire losses paid were 1,394,924 marks, the fire loss reserve increasing 389,947 marks during the year. The capital was 3,000,000 marks.

Hartford Fire Insurance Company, Hartford, Conn.

ASSETS JULY 1, 1906.

Cash on hand, in bank, and cash items.....	\$3,702,203
Cash in hands of agents and in course of transmission.....	2,491,176
Rents and accrued interest.....	8,044
Real estate, unincumbered.....	1,087,499
Loans on bonds and mortgage (first lien).....	648,000
Loans on collateral security.....	1,000
Bank stock, Hartford, market value.....	420,617
Bank stock, New York, market value.....	456,000
Bank stock, Boston, market value.....	12,750
Bank stock, Montreal, market value.....	95,666
Railroad and miscellaneous stocks.....	1,448,629
State, city and railroad bonds.....	10,745,863
Other assets*.....	293,392

Total assets\$21,411,439

LIABILITIES JULY 1, 1906.

Reserve for reinsurance.....	\$10,363,271
Reserve for all unsettled claims.....	6,744,237

Total liabilities\$17,107,508

Capital stock.....	\$2,000,000
Net surplus.....	2,303,931

21,411,439

* Including deferred partial payments amounting to \$275,675 (secured, but not yet due) on account of subscriptions to new capital stock recently issued.

Illinois Bankers Fire Insurance Company, Mt. Vernon, Ill.

A company has been organized under the above title, with \$100,000 capital and \$25,000 surplus. J. T. Howard is president, and J. O. Beck is secretary and manager.

Lumber Insurance Company, New York.

G. A. Mitchell succeeds the late Pendennis White as president of this company.

National Fire Insurance Company, Hartford, Conn.

ASSETS JULY 1, 1906.

Bonds and stocks.....	\$5,452,892
Mortgage loans.....	710,442
Real estate (unincumbered).....	434,041
Cash on hand and in banks.....	928,967
Cash in hands of agents.....	799,060

Total assets\$8,325,402

LIABILITIES JULY 1, 1906.

Unearned premiums.....	\$3,583,035
Unpaid losses and other claims.....	2,709,673

Total liabilities.....	\$6,292,708
Capital stock.....	\$1,000,000
Net surplus beyond capital and liabilities.....	1,032,694

\$8,325,402

New England Fire Insurance Company, Providence, R. I.

ASSETS JUNE 1, 1906.

United States Government, railroad and other bonds.....	\$15,000
Certificates of deposits and special accounts in banks, trust companies and other financial institutions.....	64,074
National bank, railroad and other stocks.....	54,420
Real estate (unincumbered).....	7,500
Premiums in course of collection.....	5,385
Interest accrued.....	1,521
Cash in banks and office.....	14,006

Total assets\$161,906

LIABILITIES JUNE 1, 1906.

Unearned premiums.....	\$5,192
Capital stock.....	100,000
Net surplus beyond capital and liabilities.....	56,714

\$161,906

Officers: President, F. E. Sargeant, vice-president Jewelers National Bank; secretary, Arthur T. Parker, treasurer Plainville Savings Association.

Directors: F. E. Sargeant, Arthur T. Parker, Charles A. Sisson (wholesale boots and shoes, Providence), Thomas A. Duffey (insurance, New York), Wm. M. Hall (retired merchant, North Attleborough, Mass.), E. J. Rathbun (attorney-at-law, Providence).

Niagara Fire Insurance Company, New York.

ASSETS JUNE 30, 1906.

New York city bonds.....	\$695,400
Railroad and other bonds.....	320,500
Railroad, bank and other stocks.....	3,078,756
Mortgage loans.....	240,000
Premiums in course of collection.....	480,000
Cash in banks and trust companies.....	1,136,034
Interest due and accrued.....	50,070
Other assets.....	61,000

Total assets\$6,061,760

LIABILITIES JUNE 30, 1906.

Unearned premiums.....	\$2,300,149
Unpaid losses.....	2,048,985

Total liabilities.....	\$4,349,134
Capital stock.....	\$750,000
Net surplus beyond capital and liabilities.....	962,626

\$6,061,760

Northwestern National Insurance Company, Milwaukee, Wis.

This company has voted to increase its capital from \$600,000 to \$1,000,000 by the sale of \$400,000 of new stock at par. On July 1 it reported a net surplus of \$1,013,684, after reserving \$468,168 for unadjusted San Francisco losses.

Occidental Fire Insurance Company, Los Angeles, Cal.

A company bearing the above title is being promoted by prominent Pacific Coast interests. It will have \$200,000 capital, and E. H. Conger, formerly United States Minister to China, will be its president.

Southern Home Insurance Company, Bartow, Fla.

A company is in process of formation, under the above title, to transact all branches of insurance. Among its promoters are T. A. Goode, J. W. Sample and G. D. Ramp, insurance, Bartow; Dr. L. F. Henley and Dr. W. R. Groover, Lakeland; Col. J. L. Young, president Hillsboro State Bank; P. A. Merrin, real estate and insurance, and Dr. Olin S. Wright, Plant City; G. V. Tillman, turpentine manufacturer, and C. H. Walker, manager for Lyle & Co., Bartow; Dr. A. P. Albaugh, Tarpon Springs; T. A. Chancellor, cashier First National Bank, St. Petersburg, and E. J. Armstrong, insurance, Clear Water.

Wabash Insurance Company, Hammond, Ind.

President Fred S. Gray of the above-named company has telegraphed us as follows:

Wabash Insurance Company has discontinued writing insurance. Continued unpleasantness and many bad fires and conflagrations caused discouragement.

This despatch is construed as meaning that the company will retire from business. See reference to this company in "Chicago Surveys."

Washington Fire Insurance Company, Seattle.

Rollins & Burdick of Chicago have been appointed Illinois general agents for surplus lines for the Washington Fire.

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Westchester Fire Insurance Company, New York.

ASSETS JULY 1, 1906.

Real estate	\$12,667
Mortgage loans	430,385
City and State bonds, market value.....	364,500
Railroad and other stocks, market value.....	2,105,500
Cash in banks and trust companies.....	1,040,543
Agents' balances, not over three months due.....	335,089
Interest and dividends due and accrued.....	20,094
Total assets	\$4,308,778

LIABILITIES JULY 1, 1906.

Unearned premiums	\$2,160,241
Unpaid losses (including \$720,095 at San Francisco).....	908,487
All other claims	20,460
Total liabilities	\$3,089,188
Capital stock	\$300,000
Net surplus beyond capital and liabilities.....	919,590
	\$4,308,778

Revised San Francisco Loss Estimates.

Below will be found the estimated net losses of the respective companies named, occasioned by the San Francisco earthquake and conflagration in April last, as submitted by the companies as of June 30, to the New York Insurance Department, and mainly reported to The Journal of Commerce and Commercial Bulletin:

Name and Location of Company.	Estimated Net Loss	Name and Location of Company.	Estimated Net Loss
Ætna, Hartford.....	\$2,700,000	Lon. & Lancashire, Liverpool.....	\$3,515,916
Agricultural, Watertown.....	765,449	National, Hartford	2,161,794
Alliance, Philadelphia.....	850,000	New Hampshire, Manchester.....	560,975
Alliance, London	1,758,686	Niagara, New York	1,853,000
American Central, St. Louis.....	1,386,528	Northern, London	2,061,426
American, Newark	1,100,000	Northern, New York.....	2,500
Assurance Co. of Am., N. Y.....	375,750	N. Brit. & Mercantile, London.....	3,000,000
Caledonian-American, N. Y.....	44,658	N. Brit. & Mercantile, N. Y.....	12,500
Caledonian, Edinburgh	1,476,406	Northwestern Nat'l, Milwaukee	592,581
Camden Fire, Camden.....	365,500	Orient, Hartford	713,805
Citizens, St. Louis	148,660	Pacific, New York.....	44,127
Colonial, Washington.....	100,000	Pelican, New York.....	440,633
Colonial, New York.....	16,175	Phoenix, London	2,367,680
Commonwealth, New York.....	39,000	Phoenix, Hartford	1,762,068
Continental, New York.....	1,787,247	Queen, New York.....	1,449,149
Eastern, Atlantic City.....	60,000	Royal, Liverpool	4,338,627
Empire City, New York.....	49,425	Royal Exchange, London.....	2,639,564
Federal, Jersey City.....	750,000	Scot. Union & Nat'l, Edin'gh	1,300,000
Franklin, Philadelphia.....	948,750	Security, New Haven.....	316,564
Germania, New York.....	1,802,712	Skandia, Stockholm	644,509
German, Freeport	1,726,000	Spring Garden, Philadelphia...	242,115
Glens Falls, Glens Falls.....	994,424	Stuyvesant, New York.....	92,939
Home, New York.....	2,141,236	Sun, London	1,651,666
Indianapolis Fire, Ind.....	25,000	Svea F. and L., Gothenburg...	741,248
Ins. Co. of North Am., Phila.....	2,700,000	Union, London	2,345,420
Ins. Co. of State of Pa., Phila.	8,250	United States, New York.....	131,415
Law, Union & Crown, London.....	1,368,460	Westchester, New York.....	779,687
Liv. and Lon. and Globe, Liv.....	3,998,000		

Casualty, Surety and Miscellaneous

International Association of Accident Underwriters.

Some fifty-five delegates were on hand at the Champlain Hotel, Bluff Point, N. Y., when the nineteenth annual convention of the International Association of Accident Underwriters was called to order on Tuesday by President Wm. Bro-Smith. Among those present, in addition to a large number of ladies and guests, were: Walter C. Faxen, Ætna Life; William Rick, E. P. Van Reed, American Casualty; Ralph B. Denny, American Fidelity; John J. Lentz, American Insurance Union; Joseph W. Estabrook, Brotherhood Accident; A. G. C. Dinnick, W. S. Dinnick, Canadian Casualty and Boiler; John Emo, Canadian Railway Accident; Robert B. Armstrong, H. W. Tillinghast, Casualty Company of America; Ralph Butler, Central; Horace B. Meininger, Commercial; Edwin A. Towne, Lauris J. Page, Commercial Travelers; David E. Stevens, Commonwealth; H. G. B. Alexander, Continental; H. H. Sutton, Empire State; W. H. Jones, Equitable; Felix Pfizner, Frankfurt; Franklin J. Moore, Charles E. Ward, General Accident; Louis H. Fibel, Great Eastern; R. W. Cavanaugh, Illinois Commercial Travelers; H. B. Hedge, L. C. Deets, Iowa State Traveling Mens; A. W. Masters, London Guarantee and Accident; G. Leonard McNeill, E. G. West, Massachusetts Mutual; F. R. Van Dusen, National Casualty; E. G. Robinson, National Masonic Provident; George C. Pratt, New Amsterdam; W. G. Curtis, New York Casualty; A. E. Forrest, North American Accident; A. L. Eastmore, Ontario Accident; Charles C. Daniel, J. E. Slater, United Commercial Travelers; F. H. Kingsbury, Pennsylvania Casualty; Dr. R. S. Keeler, John M. Boggs, Philadelphia Casualty; W. C. Potter, Preferred Accident; William Bro-Smith, Bertrand A. Page, Travelers; Louis S. Labeaume, William O. Hudson, Travelers Protective; Edson S. Lott, Carl S. Petrasch, United States Casualty; V. D. Cliff, United States Health and Accident; Arthur L. Sheetz, Western Travelers.

As the association already comprises in its membership all the acci-

dent companies of importance there were no new applications. The address of the president and the report of the secretary were warmly received, after which resolutions upon the death of George E. McNeill of the Massachusetts Mutual Accident were passed by a rising vote. A varied program of entertainment has been laid out, and business sessions are being held only in the morning of each of the four days. The convention will close with a banquet on Friday evening, and as that happens to be the thirteenth of the month the delegates and their guests will defy all superstitions.

The address of President Wm. Bro-Smith was in part as follows:

For many years our associated members were contented with such results as could be obtained from the discussion in open convention of the various questions which arose in the practical administration of business, and with the opportunities for private interchange of views which the conventions of the association offered, and we did not attempt in any way to bind any associate by votes or resolutions other than as to the qualifications for membership and the cost of maintaining the association. In this way we adhered broadly and soundly to the by-laws, in which the object of the association is declared to be the advancement of the general interests of accident and health underwriting. Our strength, popularity and enduring influence have followed the voluntary acceptance from time to time by our associates of the ideas and suggestions which have appealed to them as wise and proper, and these have been accepted and acted upon regardless of unanimity. Within a few years, however, attempts have been made to bind associates in matters of business policy and expediency, contract forms and agency management by the votes or resolutions of the convention. It is true that these attempts have been softened in a measure by provisions, actual or implied, that unanimous consent of the membership should be given as a prerequisite to obligation, and that these votes or resolutions should be considered, to use an expression quite frequently heard at conventions, as "agreements between gentlemen." Nevertheless, it is manifest that the purpose, as to the matters voted upon, was to control all of the companies and associations members of the International Association as one organization. Our experience, which in this regard is but the repetition of the experiences of similar bodies in other departments of underwriting, has demonstrated how futile, as well as how unwise, it is to attempt to supplant or supersede in any particular, by convention votes or determinations, the authority and the responsibility which the law and the interests of stockholders and policyholders impose upon the management of each corporation. * * *

We shall continue to exchange experiences in the different departments of the business; we shall continue to guard the individual members against improper and unwise legislation; we shall try to prevent further increases in the taxes which in many States are so heavy and unjust, and which bear so unevenly, and we shall co-operate as in the past with kindred organizations in their efforts to establish a proper basis for the taxation of insurance companies; we shall continue our labors with the various Insurance Departments for the improvement of insurance supervision and proper regulation of insurance companies, and shall undertake to aid them in their movement to secure uniform laws and uniformity in departmental regulations. Surely, in the doing of all these things we shall require all that may be given of the ability and the time of the gentlemen, skilled in their own departments of work, who are called upon to represent in this association the business of accident and health insurance and give full value in return. And in work of this kind we shall supplement and sustain alike the corporate authority of the members of the association and the official authority of the State Insurance Departments. * * *

Although we have not as yet reached a standard form of accident policy, in the legal or statutory sense, we have practically adopted one for the less hazardous classes of risks, and, through the efforts of our committees upon policy phraseology, we are practically in accord as to the limitations of liability under all accident policies and the proportions of the principal sum of an insurance which may be appropriated to the different features of disability. We are also in practical agreement as to the exceptions from liability which may with safety be omitted from contracts for the select classes of risks, and we are substantially united upon the premium charge demanded by past experience. To supplement this and other contracts, we have provided a general health insurance under forms which differ so little in substance that they may also fairly be called standard, and concerning which the only just criticism which may be made is that our premium charges therefor may be inadequate. But the special health contract is, as ever, the same inadequate and unsatisfactory measure of protection against a limited number of diseases—the means by which much of fraud is perpetrated, by which adjusters are distracted and rate makers disconcerted, and a reproach to the business of insurance. * * *

In relation to health insurance, this association has for more than two years been engaged upon a very important and expensive undertaking, the first results of which will be presented in the report of the committee on "tabulation of statistics regarding health insurance." It is undoubtedly true, as this committee will report, that the undertaking has been worth all that it has cost the association, and that the tabulation will be a great help to the companies which write health insurance; yet, when we consider the extent to which this form of insurance has been written in the past ten years, and the great mass of important information under control of the companies, and which with reasonable care might have been presented and worked up to the entire satisfaction of our committee and the great good of the business, it must be confessed that the results so far attained are meagre and unsatisfactory. * * *

James V. Barry, Insurance Commissioner for Michigan, on Wednesday presented a paper on "The Insurance Company and its Relation to the Public," from which the following extracts are taken:

During the last half century the business of insurance has developed by leaps and bounds. In this country this vast business is conducted almost exclusively by corporations. The very theory of insurance is that heavy burdens incident to disasters should not be borne by the individual, but rather should be distributed among a large number of persons, thus making the burden borne by each comparatively insignificant. Thus, the corporation, in accumulating the fund which stands as a guarantee of its good faith and of the ability of the management to properly and successfully conduct the business it undertakes, gathers together the capital of a large number of investors. In entrusting these funds to you as managers of the corporation these investors give you a certificate of their faith in your ability as underwriters. When the State grants you a charter it does so upon the theory that you will treat with its citizens honestly and fairly. In a sense it is a guarantor to the people that the business you are to transact is honest and legitimate, and that they can deal with you with full confidence in your integrity and without fear of fraud or chicanery.

The investor looks to you to maintain his investment unimpaired and for a fair compensation for the risk he assumes, while the State which created you has the right to demand in behalf of the public that your contracts shall not be fakes or frauds, and that their execution shall not be characterized by dishonesty or trickery. In other words, the investor who employs you, and in no less degree the policyholder who deals with you, have the right to expect and demand that both common sense and fairness shall characterize all your transactions.

The nearer the exercise of these two attributes attains to the ideal, the less need will there be for restrictive legislation and expensive supervision.

To lose sight of these two attributes even for a brief time in order to gain a little temporary success or advantage is to endanger the permanency of your company and the ultimate success of your business. * * *

The insurance contract, when reduced to its elements, is very simple. It consists merely of the consideration, the loss and the indemnity. The preservation of life, health and property is the essential element in the welfare and prosperity of the nation. The destruction of any of these valuable factors is a national calamity. While the insurance company cannot prevent destruction, it can and does minimize the calamity. That should be its sole and only purpose. If fire destroys the building, it is essential to the welfare of the community that the building be replaced. If death takes away the support of the family, it is essential to the welfare of the community that the home be preserved and those who were dependent upon that life be properly maintained. If accident deprives the individual of his earning power, it is essential to the welfare of the community that such earning power be replaced. Every other class of insurance follows this same law.

Therefore, I maintain that the insurance company which does not meet the emergency in the spirit which should be the basis of the contract fails in its mission, and the underwriter who falls short of a thorough appreciation of the three essentials of the insurance contract must ultimately be that much of a failure as an underwriter in the true sense of the word. The underwriter who is blind to everything save the consideration or premium should be held up to the scorn of the world and the contempt of his fellow-workers. He does not measure up to his honorable calling, but brings the business into disrepute. * * *

It seems to me that accident insurance companies are justly subject to criticism for their tendency to indulge in fads and fancies which should have no place in the contract, but which are resorted to doubtless for the purpose of attracting business by appealing to the "something for nothing" instinct which is always to be found in the human breast. Most of these features are so void of the elements of legitimate insurance as to be gambling propositions pure and simple.

The so-called registry policies belong, in my judgment, in this category. They have no proper place in the field of legitimate insurance. What would you think of a fire insurance company that would offer you a policy providing indemnity only in case the property insured was destroyed by fire set by sparks from a locomotive, especially if nothing but trolley cars passed that way? You would promptly and justly denounce such a company and criticize the Insurance Department which permitted such a policy to be sold within its jurisdiction.

In this class, too, belong the double indemnity feature of accident policies. What would you think of a life insurance agent who offered a policy providing for double indemnity in case the insured died of yellow fever in Alaska? You would promptly dismiss him with the injunction not to return until he could offer a legitimate life insurance policy providing full indemnity for the least premium. * * *

Accident insurance is legitimate, and supplies a public need. It enables one to make provision against the unexpected. The business should be encouraged. No one who has loved ones dependent upon his labors can afford to be without this protection. No man of independent spirit wishes to be compelled, in case of accident, to look to charity for care and support or see the savings of years vanish. The accident insurance company, in the exercise of its legitimate functions, makes it possible for all men to make ample provision against this hour of need. What they desire and should have is a maximum of protection at a minimum of cost. That protection should cover any legitimate accident which may befall them. A man needs indemnity as much if he loses an arm while following the ordinary routine of life as when seated as a passenger in a railroad coach. His death is a great loss to his family. If the premium you charge is too large or the indemnity you provide too small, the situation can easily be remedied by either decreasing the premium or increasing the indemnity. * * *

As a rule, legislation is the poorest remedy for any evil, especially of insurance. The average man knows little or nothing about the intricate problems of underwriting. Strange as it may appear, there is every now and then to be found a Commissioner of Insurance who is not the absolute master of the subject in all its intricacies, even though he may not be willing to acknowledge it. It is the average man who is sent to the legislature or finds his way into the position of supervising official. He is too often swayed by uninformed public sentiment. The public observes an evil which it feels is growing worse, and it knows of no remedy save legislation. When once aroused it demands an immediate and drastic remedy, and gives no thought to the results. At such times it is as apt to be led by the charlatan as by the calm, judicial student of affairs. The result, too often, is a remedy as harmful as the disease which it seeks to eradicate. Years of painstaking effort come to naught because of the revolution of the hour. In such a storm the innocent must suffer with the guilty.

If you would avoid harmful legislation, the evils of the business must be eradicated by your own hands. You will readily recognize them as they present themselves, and you should throttle them before they assume proportions which attract public attention. Temporary gain but poorly recompenses for public suspicion or hostility. "A good name is rather to be chosen than great riches," is a truth as applicable to insurance as to the individual. Give the policyholder the best you have. Apply the golden rule in the conduct of your business. Give every man who deals with you his just due without quibble or contention. Do these things, and the danger of ill-advised legislation or judicial injustice will be minimized. * * *

The control and supervision of corporations in this country is rapidly becoming something more than the determination of financial solvency. Because of its size, wealth and splendid organization, the corporation has a great advantage in dealing with the individual. It is but just and fair, therefore, that the laws should, through supervision, equalize as far as possible these conditions. For this reason it is right and proper for the supervising official to investigate all complaints of whatever nature which are made to him. The supervising official who fails to do this falls short, in my opinion, of discharging his duty to his constituents. If he finds that the reasons offered for failure to pay claims are flimsy and without merit he should demand that the wrong be righted. If the company is defiant, he should give publicity to its position so that the public may take warning and protect itself. He should not, however, in anywise attempt to usurp the functions of the courts. The law confers no judicial power upon him, and he should not assume to exercise it. But there comes a time when an alleged defense is so wholly lacking in sincerity and good faith that no one could be deceived by it, and no supervising official should tolerate it. * * *

Surety Notes.

—Shubert, Swan & Odiorne have been appointed general agents for the Illinois Surety at Philadelphia.

—The Title Guaranty and Surety has written a \$252,000 bond for William Gray, tax collector of the borough of Homestead.

—On June 30 the Empire State Surety added \$375,000 to its resources, so that the capital stock is now \$750,000 and surplus \$125,000.

—The United Surety of Baltimore has secured the \$150,000 bond on the postmaster at Louisville, Ky., and the \$20,000 bond on the postmaster

at Mayfield, Ky., through its general agency, McAtee & Duncan of Louisville.

—A new surety company is being organized in the City of Mexico. It is said that the new company will take over the business of another concern.

—H. T. Hansen, a local assistant secretary of the American Bonding Company at Tacoma, Wash., has had to give up business temporarily, owing to an eye affection.

—John R. Bland, president of the United States Fidelity and Guaranty, and J. Frank Supplee, his assistant, are on a tour of the Western cities holding agency conventions.

—The hearing in the case of F. P. Davidson of Brooklyn to have the charters of all the New York surety companies revoked on the ground that they have entered into an agreement in restraint of trade, has been postponed from July 10 to September 14.

TOO LATE FOR CLASSIFICATION.

Department Rules as to Policyholders Lists.

Superintendent Kelsey of the New York Insurance Department has announced that the following rules would govern the obtaining of names of policyholders from the official lists to be filed by the mutual life companies with the Insurance Department on July 18, pursuant to section 94 of the insurance law:

The lists of policyholders on file shall be subject to inspection and copy at any time during business hours by any policyholder or by his authorized representative. The policyholder appearing in person must present his policy and his last receipt for premiums paid. A policyholder designating a representative to inspect or copy from any of the lists on file in the department will be privileged to appear by only one representative at a time. The representative of a policyholder must produce a written designation conferring authority in each instance, stating the name of the company insured in, the number of the policy and name of the appointee, and the designation must be duly signed by such policyholder and acknowledged by him before a notary public.

—Newman & MacBain get the agency of the Insurance Company of the State of Pennsylvania for New York city and the water front of Brooklyn and Jersey City.

—The New York Department is now making inquiries as to the condition of the Empire State Surety on June 30. The former examination was in relation to its statement of December 31 last.

—Olin L. Pattillo, formerly with the Phenix of Brooklyn, becomes special agent for the American of Newark in the Carolinas, Georgia, Florida, Alabama and Mississippi, with headquarters at Atlanta.

—The New York State Association of Supervising and Adjusting Fire Insurance Agents has elected these officers: President, H. H. Moore; vice-president, I. Lloyd Greene; secretary and treasurer, J. M. Donald.

—The Burglary Underwriters Association met on Tuesday in New York, and bank burglary insurance matters were adjusted to the satisfaction of all parties. The United States Fidelity and Guaranty has modified its announced intention to cease writing burglary lines in Chicago and New York, so as to apply only to Chicago.

—The National Surety Company announces that it will issue policies of fidelity insurance for limited amounts, insuring against loss through larceny and embezzlement on the part of officers of corporations and employees of business houses of all kinds, insurance and other corporations, without the knowledge of the employees, if desired, and without requiring an application to be made by any officer or employee. Certain employers need protection of this kind, but for personal reasons do not wish to require their employees to make application for a bond. This company also issues fidelity bonds, for which applications are required, covering persons occupying positions of trust.

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THURSDAY, JULY 19, 1906.

No. 3.

THE INTERNATIONAL POLICYHOLDERS COMMITTEE.

NINETEEN out of twenty-three members of the International Policyholders Committee met in New York last week and united in signing an address to the policyholders of the Mutual and the New York Life, substantially inviting them to unite in a movement to oust the present trustees of those companies. The gentlemen present are prominent in their several localities, some of them having national reputations, and all are men of intelligence and conceded ability. Whatever may be thought of the present movement to which they have committed themselves, there is no denying the fact that such men as Richard Olney, formerly Secretary of State; General Benjamin F. Tracy, formerly Secretary of the Navy; Governors Johnson of Minnesota, Hanly of Indiana, Broward of Florida, Blanchard of Louisiana, Pennypacker of Pennsylvania, Roberts of Connecticut, and others of equal prominence, are men who are entitled to a hearing and who will exercise considerable influence in their respective communities. These men have expressed great indignation over the scandals that were permitted under the old management of the companies, and a determination to effect a change if possible. Under the law passed by the last legislature, the companies are required to elect new boards of trustees in December next, and to announce their candidates for the positions by the 18th of this month. The policyholders committee purposes to put an opposition ticket in the field, and policyholders in all quarters of the world will be asked to vote for their candidates, either in person or by proxies. An active canvass for proxies will be inaugurated, the agents of the companies soliciting them in behalf of the "administration" ticket, while the committee will use every means in its power to elect the men of its choice. Other organizations, having the same object in view, are expected to join forces with the International Committee in the selection of the independent list of candidates for trustees of the two companies.

The opposition to the companies was started originally by Thomas Lawson of Boston, at which time the old management of the companies was in full control, and public indig-

nation against those who were charged with having been recreant to their duties was at white heat. But conditions have changed materially in the past few months, the officials who were charged with various irregularities having been deposed and their places filled with men of high character, most of them having extended experience in the business of life insurance, against whom there has been no suspicion of complicity with former mismanagement, and who have already instituted a campaign of reform in methods and practices that is calculated to preclude the possibility of irregularities in the future. What more can a new board of trustees, unfamiliar with the business, do in the interests of the policyholders? All the temptations and pitfalls that confronted the old managements have been laid bare and will be avoided in the future by whomsoever is in control, so that the question really resolves itself into a choice between men of experience who have been tried and found trustworthy and men who are not familiar with the business, and would be apt to make many mistakes, if not serious errors, that would injure the business.

One phase of the situation is of vital importance to the agents, and that is the treatment that would be accorded to them by a board of trustees unfamiliar with the requirements of the business. A result of the recent investigations was the fostering of a general belief that the agents were compensated too highly for their services, and that if their commissions were reduced life insurance could be furnished at a much lower rate. An inexperienced board of trustees might fall into this popular error, and create dissatisfaction among the agents. Any one familiar with life insurance conditions knows that the average agent has not been unreasonably compensated, and that as he works on a commission basis, he seldom makes more than a bare living out of it. In exceptional cases agents have been able to secure large incomes, but this was due more to their executive ability in handling a force of subordinates than to their personal solicitation. As a rule, the field men, the actual business getters, have not been over paid, and any attempt to reduce their compensation would destroy their efficiency and result disastrously to the company. In the campaign for proxies agents should carefully study the situation and see to it that they are not aiding in the introduction of incongruous elements in the business.

LAPSES, DEATH LOSSES AND MEMBERSHIP IN ASSESSMENT SOCIETIES.

EACH year that passes adds to the burdens which rest upon the management of the few remaining business assessment associations, and the numerous fraternal orders throughout the country. These concerns started, some of them many years ago, on a wrong basis, and are now finding it increasingly difficult to carry out their obligations and at the same time keep the living members satisfied, owing to the constantly increasing death rate compelling increases in assessments from time to time. The year 1905 was not marked by the failure of any prominent fraternal order, to which class the business of assessment insurance is now mainly confined, but there was considerable agitation in the

LAPSES, DEATH LOSSES AND MEMBERSHIP IN ASSESSMENT SOCIETIES.
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NAME AND LOCATION OF COMPANY.	Commenced Business	POLICY ACCOUNT.						MEMBERSHIP.			DEATHS OCCURRING.			RATIO OF DEATH LOSSES PER 1000.		
		1895.		1900.		1905.		1895.	1900.	1905.	1895.	1900.	1905.	1895.	1900.	1905.
		Written.	Lapsed.	Written.	Lapsed.	Written.	Lapsed.									
Telegraphers Mut. Ben. Ass'n, N. Y. City..	1867	333	134	432	156	294	157	4,242	5,048	5,414	46	64	75	10.84	12.68	13.85
N. Y. Physicians Mut. Aid., N. Y. City....	1868	146	18	112	43	42	22	1,333	1,525	1,706	19	23	28	14.25	15.08	16.41
Southern Tier Mas. Rel., Elmira, N. Y.....	1868	564	149	675	561	278	281	1,225	1,803	1,544	32	69	42	26.12	38.27	27.20
Expressmens Mut. Benefit, New York City..	1869	892	643	473	570	659	126	5,431	4,664	3,027	76	65	39	14.00	13.94	12.88
Free Sons of Israel, New York City.....	1871	426	518	354	3,077	456	218	11,817	11,233	10,865	185	290	250	15.66	25.82	23.01
Insurance Clerks Mut. Ben., New York City	1872	2	18	23	16	121	32	478	602	1,070	13	8	15	27.20	13.29	14.02
Masonic Life Association, Buffalo, N. Y*..	1872	1,922	1,034	2,138	1,028	1,141	636	7,952	12,226	8,509	118	154	128	14.84	12.60	15.06
Knights of Honor, St. Louis, Mo.....	1873	8,836	11,342	3,125	8,272	2,769	10,257	115,212	59,932	40,126	2,067	1,784	1,561	17.94	29.77	38.90
A. O. Un'd Workmen, Buffalo, N. Y. a....	1874	591	1,577	4,041	1,049	665	1,726	27,632	30,441	19,553	470	517	584	17.01	16.98	29.87
Masonic Life Ass'n, Oswego, N. Y.....	1875	16	22	14	7	....	45	351	300	244	7	7	11	19.94	23.33	45.08
Totals and averages (10 companies).....		13,728	15,455	11,387	14,779	6,425	13,500	175,673	127,774	92,058	3,033	2,981	2,733	17.26	23.32	29.68
Foresters of America (End. Fund), Brooklyn	1876	35	408	....	29	....	7	1,056	515	371	33	18	15	31.25	34.95	40.43
Golden Cross, U. O., of Knoxville, Tenn..	1876	5,204	2,216	1,686	7,944	2,283	2,227	27,574	25,538	18,392	255	384	304	9.25	15.04	16.53
Mutual Benefit Ass'n, Riverhead, N. Y....	1876	37	20	22	4	31	8	1,532	1,563	1,541	17	17	21	11.10	10.88	13.63
Catholic Knights of Amer., St. Louis, Mo..	1877	2,312	3,031	1,889	993	508	1,356	22,644	23,126	17,355	305	417	456	13.47	18.03	26.27
Jewelers League, New York City.....	1877	72	73	67	59	18	81	2,460	2,075	1,826	23	42	39	9.35	20.24	21.36
Knights and Ladies of Honor, Indianapolis	1877	10,753	6,938	8,955	10,002	18,675	10,488	76,162	49,785	83,088	996	967	1,208	13.08	19.42	14.54
Knights of Pythias, Chicago, Ill.....	1877	8,764	3,703	11,324	4,557	14,706	7,349	40,988	60,561	74,857	444	728	793	10.83	10.94	10.59
Royal Arcanum, Boston, Mass.....	1877	20,454	4,174	24,086	5,051	22,678	69,780	174,060	210,074	254,756	1,527	2,229	3,225	8.77	10.61	12.67
Stafford Benefit Ass'n, Stafford, N. Y.....	1877	23	13	18	21	13	13	606	660	674	8	13	10	11.50	19.70	14.84
Gold and Stock Life Ass'n, New York City.	1878	123	42	94	41	61	41	904	1,054	1,163	10	10	13	11.66	9.49	11.18
Improved Order Heptasophs, Baltimore...	1878	7,197	1,250	9,401	6,528	8,965	4,528	25,325	55,102	65,996	185	601	740	7.31	10.91	11.21
K. T. and Masonic Mut. Aid., Cincinnati...	1878	512	297	835	461	458	262	4,656	6,287	8,512	62	91	190	13.32	14.47	22.32
Scottish Clans, Order of, Boston, Mass...	1878	502	479	1,163	384	1,380	627	3,473	6,061	9,387	25	43	88	7.20	7.09	9.37
Bankers Life Ass'n, Des Moines, Ia.....	1879	9,906	2,168	10,063	2,668	21,565	4,618	37,199	71,628	127,085	187	450	789	5.03	6.28	6.21
Catholic M. B. Ass'n, Hornellsville, N. Y..	1879	4,296	1,254	4,095	1,768	3,426	2,586	36,770	51,416	57,638	388	541	817	10.55	10.52	14.18
Home Circle, Boston, Mass.....	1879	1,128	1,027	284	445	44	599	7,212	5,577	2,097	72	78	61	9.98	13.98	29.08
Pilgrim Fathers, U. O. of, Lawrence, Mass.	1879	2,630	595	891	2,139	1,194	996	20,100	22,311	19,601	183	272	295	9.06	12.20	15.05
Protective Life Ass'n, Rochester, N. Y.....	1880	707	405	533	444	782	807	3,536	4,085	3,937	46	51	53	13.01	12.48	13.46
Totals and averages (18 companies).....		74,655	28,093	75,406	44,138	96,877	106,373	486,437	603,418	748,276	4,766	6,952	9,117	9.80	11.52	12.18
Catholic Benevolent Legion, Brooklyn, N.Y.	1881	7,561	1,072	1,365	4,598	255	2,004	41,120	41,984	19,971	524	735	526	12.74	17.51	26.34
Foresters, Independent Order, Toronto, Ont	1881	23,938	7,016	31,847	14,570	29,091	19,998	86,521	177,644	233,293	456	1,092	1,676	5.27	6.15	7.18
National Union, Toledo, Ohio.....	1881	5,793	3,919	9,847	4,184	4,025	7,610	46,206	58,152	61,019	375	550	768	8.12	9.46	12.59
Knights of Columbus, New Haven, Conn...	1882	2,278	405	5,505	1,228	8,088	1,590	10,320	30,436	49,475	31	177	337	3.00	5.82	6.81
Knights of the Maccabees, Port Huron, Mich	1883	37,895	12,152	51,285	16,692	39,141	60,224	101,869	203,832	298,891	494	1,250	2,402	4.85	6.13	8.04
Knights of St. John and Malta, N. Y. City.	1883	736	369	239	774	181	177	3,885	3,361	2,627	44	55	40	11.33	16.37	15.23
Modern Woodmen, Rock Island, Ill.....	1883	52,005	10,121	140,217	28,433	96,010	39,338	158,781	537,858	713,837	704	2,287	3,787	4.43	4.25	5.31
National Provident Union, Brooklyn, N. Y.	1883	819	631	254	283	778	731	6,021	3,175	4,074	67	68	49	11.13	21.42	12.93
Prov. Ass'n of Newtown, L. I., Maspeth...	1883	12	17	6	4	8	14	489	458	418	11	8	....	22.49	17.47	....
Royal League, Chicago, Ill.....	1883	3,256	465	3,244	1,684	4,641	2,175	14,320	19,679	27,524	81	120	186	5.66	6.10	6.76
Templars of Liberty, New York City.....	1883	159	259	51	388	6	268	3,410	1,634	522	56	38	30	16.42	22.03	57.47
Western Life Indemnity, Chicago, Ill.....	1884	1,134	790	727	986	6,939	....	7,509	6,234	7,781	90	110	334	11.99	17.64	42.93
Fraternal Mystic Circle, Philadelphia, Pa...	1885	2,920	2,739	3,617	2,510	5,260	4,434	10,283	13,393	14,503	63	113	135	6.13	8.50	9.30
Totals and averages (13 companies).....		138,506	39,955	248,204	76,334	194,423	138,563	490,734	1097750	1433935	2,996	6,603	10,270	6.11	6.01	7.16
Emp. State Deg. of Honor, Stockton, N. Y.	1886	1,176	666	1,026	432	1,772	1,255	2,619	7,102	8,577	9	60	78	3.44	8.45	9.09
Protected Home Circle, Sharon, Pa.....	1886	6,138	2,310	9,804	3,964	10,566	8,461	15,936	35,682	57,392	84	226	449	5.27	6.33	7.82
New England Order of Protection, Boston.	1887	2,817	375	3,443	907	4,927	1,679	18,093	29,125	41,310	117	242	354	6.47	8.31	8.57
American Temperance Life, New York City	1889	868	650	542	461	1,153	908	3,651	4,348	9,225	26	49	155	7.12	11.27	16.80
Loyal Association, Jersey City, N. J.....	1889	1,049	78	681	184	668	451	3,859	5,883	7,372	23	43	84	5.96	7.31	11.40
Ladies Cath. Benev. Ass'n, Erie, Pa.....	1890	5,234	88	8,640	284	3,456	2,532	16,600	57,169	89,943	109	375	731	6.57	6.56	8.13
Woodmen of the World, Omaha, Neb.....	1891	20,600	7,664	38,671	21,311	67,307	27,948	33,027	129,837	274,592	181	966	2,019	5.48	7.44	7.35
Knights and Ladies of Security, Topeka, Kan	1892	6,696	1,927	12,003	4,352	17,260	9,144	10,770	34,058	56,083	52	217	419	4.83	6.37	7.47
Ladies of Maccabees of World, Port Huron	1892	†	†	15,184	5,700	18,802	17,226	†	65,336	124,113	†	415	877	†	6.35	7.07
Cath. Relief and Beneficiary Ass'n Auburn	1893	900	356	1,487	362	765	402	3,073	6,263	8,512	31	43	74	10.09	6.87	8.69
Foresters, United Order, Milwaukee.....	1893	872	165	2,084	1,126	3,906	1,774	1,218	4,550	11,659	2	34	40	1.64	7.47	3.43
American Insurance Union, Columbus....	1894	625	43	3,015	1,362	3,014	1,768	817	7,688	11,505	....	45	59	....	5.85	5.13
Ben Hur, Sup. Tribe, Crawfordsville, Ind...	1894	3,254	485	19,848	3,759	17,897	8,637	3,521	41,934	88,138	7	203	686	1.99	4.84	7.78
Gleaners, Ancient Order of, Caro, Mich...	1894	1,193	55	5,283	466	8,594	2,379	1,808	19,099	46,064	3	72	192	1.66	3.77	4.17
Columbian Knights, Order of, Chicago, Ill.	1895	836	....	3,787	3,393	4,374	2,493	835	11,729	13,056	1	66	110	1.20	5.63	8.42
Court of Honor, Springfield, Ill.....	1895	1,863	2	12,989	6,094	7,886	19,312	1,861	48,404	56,522	....	265	417	....	5.48	7.38
North American Union, Chicago Ill.....	1895	721	19	2,301	881	3,223	13,774	700	7,347	13,871	2	38	97	2.86	5.17	6.99
Royal Neighbors of America, Rock Island.	1895	1,969	43	15,354	3,784	16,209	2,927	1,921	49,592	97,347	5	210	473	2.60	4.23	4.86
Woodmen Circle, Omaha, Neb.....	1895	†	†	215	91	13,546	5,442	†	1,047	32,841	†	6	202	†	5.73	6.15
Totals and averages (19 companies).....		56,811	14,926	156,357	58,823	205,325	128,512	120,309	566,193	1048122	652	3,575	7,516	5.42	6.31	7.17
Grand totals and averages (60 companies)		283,700	98,429	491,354	194,074	503,050	386,948	1273153	2395135	3322391	11,447	20,111	29,636	8.99	8.40	8.92

* Formerly Masonic Life of Western New York.

† No report.

‡ Formerly Knights Templars and Masonic Life Indemnity Co.

a New York jurisdiction only.

ranks of one of the oldest and best conducted orders, resulting in a loss of over one-fourth of its membership to the present time and the loss is still going on each month. Up to within the past five years the proportion of lapses in fraternal orders as a whole was comparatively small, and the larger the order the better the members persisted in their payments. This state of affairs has now changed, and enormous amounts of new certificates have to be issued in order to show a decent percentage of gain. It is not to be denied that these concerns have done a vast amount of good in distributing millions upon millions of dollars to the beneficiaries of their members in the past, but the public is learning more and more each year to appreciate the fact that no organization furnishing life insurance can do it safely without providing by reservation for the positively increasing cost.

The business assessment associations which flourished so abundantly in the decade preceding 1905 have now been reduced to a mere handful, while on the other hand the fraternal orders continue to increase, the new ones getting their members at the expense of the older ones, because they can offer at present lower rates of assessment. Meantime the troubles which beset the managements of most of the older and larger associations are not diminishing, the remedies which are supplied being in the main only temporary, and the healthy members are deserting in vast numbers each year, thereby adding to the cost which must be met by those unable to obtain insurance elsewhere. The legislatures have done little to remedy this condition of affairs, although it has been repeatedly called to their attention, and the ultimate result to most of the existing orders can only be disaster.

In the accompanying tabulation there is shown the lapse and death experience during the past decade of sixty assessment associations ranging in age from ten to nearly forty years. The effect of the increasing cost is plainly shown in the lapse column for each of the three years given, while the death rate of many indicates that the members are hanging on in the blind hope that the concern will last out their time. The table covers three years of the past decade and is divided into four groups.

The first group embraces ten organizations which have been in existence thirty years and upward, and the totals show that a loss of nearly fifty per cent in membership has been incurred in the ten years and that the death rate has reached a tremendously high figure. Group two deals with organizations between twenty-five and thirty years of age, including some of the leading fraternal orders, and the largest business assessment association. The same heavy increase is here shown in the lapse rate, the terminations from that cause in 1905 exceeding the new certificates issued, while the death rate continues to mount upward. The third group includes the largest and most active of fraternal orders, but the tremendous membership of the organizations embraced in the group is of no avail in keeping down the death rate, and consequently the lapse rate is also steadily increasing. In the fourth group, giving organizations of from ten to twenty years of age, there is the same tendency observable of increasing lapse and death rates even though the membership has so tremendously increased. From the tabulation as a whole it will be seen that, whereas the rate of lapsation in

1895 was less than thirty-five per cent of the new issues, last year it was nearly seventy-seven per cent, or more than double.

WHILE the insurance companies are doing their best to settle the San Francisco losses by fire, the newspapers of that city are abusing them for not paying the losses that were due to the earthquake, and in their zeal represent the earthquake as being an insignificant affair that did no damage worth considering. The camera, however, tells a very different story, and pictures taken at the time show many buildings that were badly wrecked before they were reached by the fire. Furthermore, they show that the earthquake upheaval so tore up the water supply system as to put it out of commission, and when the flames were raging the fire department had no water with which to fight them. As a consequence the fire got beyond control, and it is safe to say that the conflagration and the enormous losses involved were nearly all due to the disruption of the water system. San Francisco has an excellent fire department, and no doubt would have been able to control the fire if there had been any water available, but the earthquake had destroyed it, and was, therefore, primarily responsible for all damage done, including the losses by fire. When the insurance companies insured property in that city they relied upon its having adequate fire protection, and did not insure against damage by earthquake. There are persons who hold that the companies are not liable for any of the losses, as all were caused by the earthquake primarily, but fortunately the companies do not take this view of the matter, and are paying fire losses as rapidly as can be expected. It is probable, however, that they will take to heart the costly experience they have had in this case, and fight shy in future of earthquake hazards. But who will insure the companies against the destruction of waterworks in cities that are subject to earthquakes, and the paralysis of the fire departments in consequence?

THE International Association of Accident Underwriters met in annual convention last week at a summer resort on the banks of Lake Champlain, had a good deal of entertainment, transacted a little business and adjourned. The object of the meeting, as specifically alluded to by the president, was to foster the acquaintance of men mutually engaged in a competitive business, through social intercourse rather than to commit them by a direct vote to a certain policy as far as their daily work is concerned. Although there are many points in the practice of accident insurance where unanimity of action is desirable, there are others where individual companies prefer to rely on their own judgment as dictated by past experience. The settled points of practice will speedily commend themselves to all, while the debatable points can only be elucidated by time and experience. One practical piece of work undertaken may be expected to have great influence on the future so far as health insurance is concerned. The tabulation of the experience for the years 1904 and 1905 will form an admirable basis upon which to erect a symmetrical structure of sound health insurance. By

this action the convention will not be found to have been in vain. The new officers assume control of a healthy organization, cemented by ties of strong friendship, and should have no difficulty in keeping it within safe bounds.

FIRE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

The unanimous vote requirement for amending the Exchange agreement again defeated a proposal for amendment last week. The constitution of the arbitration committee is defined by the agreement, but it refers to "members." The practice has been to nominate under the rotation system any representative of a member the latter may designate, but unfortunately subordinates of inexperience, youth and inadequate qualifications to make efficient committeemen, especially upon the most important personal committee of the Exchange, have sometimes been chosen. It has been thought the evil can be partially remedied by limiting the representation to officials of companies, managers or assistants of foreign companies and agents or partners in agency firms holding companies' commissions. But when the matter was before the Exchange last week, an attempt was made to include local secretaries; and as that would also let in other subordinates, the suggestion was voted down. The truth seems to be that the companies are unwilling to make any changes in the organic law.

The increase of one hundred per cent upon the rates upon certain grades of fine tobacco was rather sudden, but not unexpected. The repeated experience in losses on the best grades has convinced the companies that it is too susceptible to smoke damage where there is a very little fire to make it desirable insurance. The movement for an increase was started many months ago, but it was held up on account of the events following the San Francisco calamity.

The New York Department is interesting itself in the question whether companies which are almost, if not quite, ruined by conflagrations, can use their reserves for reinsuring their policies not involved in the fires. There have been several offers of reinsurance on the part of companies badly hit by the fire in San Francisco, which ordinarily would be snaps, but fear of complications with regard to the right to use a part of the fund for a wholesale reinsurance have persuaded companies to hold off. There are hints that in two cases the reinsurance effected by companies which cannot pay fifty cents on the dollar for losses may be disturbed.

One of the surplus line policies on a San Francisco warehouse was paid as a total loss in this city on Monday. The insurance on the risk was less than forty per cent of its sound value. Two local companies whose policies were written in New York escaped with a ten per cent loss on jewelry in safes in a fireproof building in the same city.

We regret to learn that E. T. Mostert of Weed & Kennedy has been confined to the Roosevelt Hospital for three weeks, battling with typhoid fever. His friends will rejoice to learn that he is now convalescent.

Rates on cotton are still in the air. Only sprinklered warehouses are well filled, and most of the insurance is under old contracts, but new lines written on the new or old warehouses are only taken at fancy rates. Some of the wiser cotton merchants are ordering the cotton shipped to New England points. One of the recently developed tricks of the trade is to take out floaters to include fiber at rates far below the rates on specific cotton. Several of the larger companies are practically out of the market and decline the staple entirely.

The brokers have nearly completed the placing of their August renewals, and many of them are off on vacations. They report a steady diminution of lines on important risks, and reductions equal to an average of fifty per cent upon policies above \$5000. The English offices appear to have given up their reinsurance quite generally, and offer this as a reason for their uniform reduction of lines.

The promoters of one of the new companies now being floated state

that the whole of the stock required has been subscribed, but, owing to the absence of two or three of the important incorporators, the formal organization has been deferred until September. The promise is that the company will be in operation in less than sixty days.

The last list of lines placed with companies outside of the Exchange by brokers holding certificates was not so lengthy as formerly, and indicates the dearth of surplus lines in the city, although it is claimed the affidavits filed in Albany are increasing in number. This is the dull season for the surplus liners.

The Fire Commission has secured an appropriation of \$25,000 for obtaining plans of engineers for reconstructing the fire alarm telegraph, and there is a prospect that, if it takes as long to do the work as it does to agree upon plans, the commissioner's grandchildren may live to see it completed. But what of the fire dangers to New York while this slow and easy process is maturing?

Newman & McBain have been appointed agents for the Adirondack Fire for the territory of the New York Exchange. The Adirondack will accept a general business through this agency, although its specialty is woodworking and lumber risks.

CHICAGO AND THE WEST.

The Western Adjustment Company, which has ninety companies in its membership, has made important additions to its staff, its business having been unusually large of late, owing to the hegira of so many skilled adjusters to San Francisco. Hereafter W. H. Daniels, who was in charge of the company's Milwaukee office, will be attached to the head office in this city, being succeeded at Milwaukee by E. V. Munn, who has been in charge of the Wisconsin Adjusting Bureau. Mr. Munn will have as an assistant his son, Clarke J. Munn, who now is engaged in adjusting losses at San Francisco. Among other additions to the Chicago staff of adjusters will be L. C. Fletcher, formerly secretary of the Atlanta-Birmingham, and special agent in the South for many years for the North British, and Frank L. Erion, insurance manager for the Cudahy Packing Company of Omaha, an expert on building construction and an experienced accountant.

As a result of the blow dealt the Wabash Insurance Company of Hammond by the Attorney-General of Indiana in deciding that the charter under which the company has been doing business is void, it has been decided at a meeting of several directors, held in the office of President Gray, in this city, to apply for a new charter under the general insurance laws of the State. Other changes were announced, including a complete reorganization and the material reduction of the company's capital stock. If a new charter is granted, the company will be an agency company, transacting its business through local agents, and will not write surplus insurance as did the Wabash. President Gray admitted that some of the former directors might not be represented on the new board, and it is understood that the plans for reorganization have not met with unanimous approval of the present directorate.

BOSTON AND VICINITY.

Fitchburg, Mass., is one of the cities outside Boston which are objecting strenuously to the recent advance in fire insurance rates. In Fitchburg the advance was twenty cents, and Mayor McMahon threatens to bring the matter to the attention of the city council.

The Jefferson Fire of Philadelphia has applied for admission to Connecticut and Rhode Island.

The George B. Fisher agency, Hartford, Conn., has been appointed resident agent of the Scottish Union and National.

To the great gratification of all the attaches of the Massachusetts Insurance Department, as well as those who are accustomed to call there, Commissioner Cutting, who has been ill for several months, was at his office a few hours the past week.

The lumber dealers of Providence have been informed of an advance of no less than fifty per cent in fire insurance rates, owing to the many losses incurred during the past two years as the result of the work of firebugs. Furthermore, the insurance companies demand that the police force be increased and better protection afforded the

property on which they carry risks. The lumber dealers brought the matter to the attention of Mayor Dyer this week. Their principal request was that thirty additional men be appointed to the police force.

At the meeting of the New England Insurance Exchange, Saturday, the principal topic of discussion was the new subrogation waiver clause, recommended by the executive committee, as follows:

Whenever the owner of property insured has, under lease or contract, surrendered the right of action against a railroad company for damages done by it to said property, and the policies of insurance on same contain a railway subrogation waiver clause, there shall be an additional charge made of not less than ten per cent of the published rates.

The Boston Board of Fire Underwriters has adopted the following relative to the employment of solicitors:

An agent of a local company may employ as solicitors only those who hold brokers' licenses from the State and a solicitors' certificate from the board, which may be issued to them when their applications have been proved by the committee on brokers, and when they have signed an agreement to observe all the rules and rates of the board. The charge for a solicitor's certificate will be \$10 yearly.

The following was offered to the board for consideration:

On and after the passage of this rule no portion of the premium shall be returned nor any allowance or charge made on account of change in rate on any policy in force on any risk, unless said allowance or charge shall amount to at least ten per cent of the premium for which the policy was written, excepting that the usual allowance may be made for automatic alarm, watchman and clock and sprinkler equipment.

NOTES FROM PHILADELPHIA.

Nevin N. Husted of Pittsburg succeeds N. C. Rorabaugh for the Western Pennsylvania field of the Union of Philadelphia.

Notice has been sent to the stockholders of the Fire Association of Philadelphia that the board of directors has decided to issue \$1,500,000 worth of stock, of which \$250,000 will be added to the capital stock, making it \$750,000, and the balance will be turned into the net surplus of the association. A meeting of the stockholders has been called for September 12, to ratify the action of the directors. It is proposed to give to each stockholder one share of new stock at \$300 for each two shares he holds at present.

At auction last week five shares of stock of the Delaware sold at \$20 per share, and two shares of Girard Fire and Marine at \$340 per share.

Recent dividend declarations by local fire insurance companies are as follows: Insurance Company of North America, six per cent, semi-annual; County Fire, four per cent, semi-annual; Mechanics, five per cent, semi-annual; Girard Fire and Marine, \$5 per share, quarterly.

The Humboldt and Teutonia of Allegheny have appointed George B. Alexander special agent for Eastern Pennsylvania.

President Muir, of the Union of Philadelphia, reports that of the estimated loss of \$250,000 sustained by the company as the result of the San Francisco conflagration, \$150,000 has been paid by the syndicate of stockholders of the company formed for the purpose, and that the same syndicate has covered the remaining \$100,000 by personal obligations, so that the funds of the company remain as before the fire. The semi-annual statement of the Union shows an increase in net premiums over the same period of 1905 of over fifty per cent and an underwriting profit of \$63,008.

S. D. Hawley & Son have been appointed second agents of the Western of Toronto for Philadelphia and vicinity, succeeding Stokes & Packard.

THE NEW ENGLAND FIELD.

Massachusetts Insurance Report.

Insurance Commissioner F. L. Cutting of Massachusetts has submitted the text of his report covering fire and marine insurance in 1905. In this year's report, Mr. Cutting has placed uniform market valuations upon identical securities owned by all the companies reporting, and states that it is the policy of the Department to require securities to

be valued correctly at the market prices, and neither above nor below such prices.

He quotes the opinion of the Attorney-General, that marine insurance companies cannot legally issue policies in Massachusetts insuring an automobile owner against loss and liability caused by the collision of his automobile with another object. Mr. Cutting compliments the fire insurance companies which had accumulated funds sufficient to meet their San Francisco losses and continue in business. As to fire insurance rates, Mr. Cutting says, in part:

But the question may be asked whether it is not possible for fire insurance to be afforded at lower rates. With certain conditions changed it certainly could be. The premiums paid to a company are used for the settlement of losses, for paying the expenses of carrying on the business, and for the profit of the stockholders. The losses and expenses have to be paid first. The losses, generally speaking, are beyond the control of the companies; that is, the great bulk of them will occur in spite of the companies. But the insured have it in their power to reduce fire losses to a very great extent. And they have it in their power also to keep down the expenses, a great element in which is agents' commissions. If every insurer took his policies direct from the company or its local office, and thus commission was eliminated from the transaction, a considerable saving would be effected at once. Impracticable? Yes, for the insurer, but not for the company. This element, therefore, has to be in the premium because the public will do their business only through agents who seek for it for the commission there is in it. The public does not want to go to the trouble to hunt up a company and ascertain its standing any more than it wants to go to the postoffice for its mail or to the store for its groceries. People with insurance to place prefer to be sought rather than to become seekers, and they pay the bill, although it is not separated out so that they see they are paying somebody fifteen per cent for procuring for them something they want and must have. But for the present, at least, this part of the expense of insurance will not be eliminated. Neither will the loss element be greatly curtailed. The public are not ready to take the steps to effect a reduction in these respects by ignoring the agent on the one hand and by building fireproof structures and eliminating by greater care the common causes of fires on the other. Lower rates then, if they come at all, must result from a reduction in profits on the business. But with San Francisco following so closely on the heels of Baltimore—there was just two years to a day from the date this Department sent out requests to the companies for reports of their losses in the Baltimore fire to the date when it sent a precisely similar notice in regard to the San Francisco disaster—it is in vain to talk of profits to most of the companies affected. But for these disasters lower rates would have been probable. But at the date of writing this it looks more like an advance than a reduction. Should this occur Boston should turn back to 1872, and recall the fact that millions that had been collected in premiums in other cities were transferred to this city with our entire approbation. It is our turn now to help others. Thankful that we did not suffer from this last disaster ourselves, we should do our share toward preparing for the next catastrophe, thus casting bread upon the waters, which who knows but what we shall be the first to need.

—The Springfield Fire and Marine has declared its usual semi-annual dividend of five per cent.

THE WEST.

—The Ohio German Fire of Toledo is being examined by the Ohio Insurance Department.

—Harry M. Coudrey & Co. have been appointed St. Louis agents of the Fidelity Fire.

—The Michigan Department has licensed the Firemens Fund of San Francisco and the Fidelity Fire of New York.

—On July 5 a twenty-five per cent advance in rates went into effect in the State of Washington. Sprinklered risks, saw-mills, farm property and preferred business are excepted.

—The Allemannia of Pittsburg has withdrawn from Iowa. Demoralization in rates and the anti-trust law are assigned as reasons for retiring. The Cosmopolitan of New York has also retired from Iowa.

—The Dubuque Fire and Marine will enter a number of additional States. Special Agent Weiser is making a trip through the Southern and Eastern States investigating conditions. This company did not lose anything as a result of the California disaster.

—A prominent Western local agency, in discussing the question of reduced expenses in large cities, states that "it is safe to say that the average local agent does not make a net profit of one-fifth of his commission," and advocates the elimination of salaried managers and salaried solicitors as the proper solution of the problem.

—A "Synopsis of the History of Fire Insurance in Iowa" for thirty-eight years contains a list of the companies which have transacted business in Iowa beginning with 1868, and which have failed or retired from the State; also a list of the companies now operating in the State. Out of a total of 381 companies which have been authorized at various times since 1868, 263 have failed or retired from the State. The pamphlet is published by H. Bennett.

—The National Association of Local Fire Insurance Agents will meet in annual convention at Indianapolis on October 17, 18 and 19. The association has announced its intention to depart this year from its former practice of confining discussions to questions affecting the agency side of the underwriting problem. It intends to take up and deal with two great questions affecting the interests of both companies and agents. 1—Rating: Modern scientific methods and value of classified fire cost statistics. 2—Compensation to Agents: Method of payment. Shall there be uniformity, etc.? The questions will be discussed both by officials and agents. The topics are brought forward at this time for educational purposes, with a view to focusing attention upon them in such a way as to produce the best and most permanent results for the company and agency plant.

THE SOUTH.

—The Fidelity Fire of New York has been licensed in North Carolina, with Gordon Harris of Wilson as general agent.

—Jack Gordon, only son of Col. John W. Gordon of Richmond, Va., was drowned last week while endeavoring to rescue friends.

—The Eagle Fire has transferred its New Orleans agency from Leon Irwin to the Harry S. Kaufmann Company, Limited, filling the gap in this agency caused by the withdrawal of the Assurance Company of America from Louisiana.

—An amendment to the Georgia deposit law has been proposed, by which all fire, marine and inland companies of other States or foreign countries shall be required to deposit with the Treasurer bonds of the United States or bonds of Georgia, which, according to the acts and resolutions of the General Assembly, are valid, or registered bonds of any county or municipality in Georgia which have been validated under the laws of the State, and which are of \$25,000 face value.

—Major James B. Ezell, a prominent Southern insurance man, died recently at Columbia, S. C. He was born in 1831, and acquired distinction in the Confederate army. After selling his interest in the firm of Seibels & Ezell he became special agent of the New York Underwriters Association for the Southern States, which position he filled for ten years, and then accepted a similar position with the Springfield Fire and Marine, acting as their Southern representative up to three years ago, when he was retired by the company on full pay.

—August 1 is the date set for a meeting of the subscribers to the stock of the new Dixie Fire Insurance Company of Greensboro, N. C., to complete organization. The promoters expect to be ready to begin business on August 15 with \$500,000 capital and \$250,000 surplus, fully paid in. Most of the Southern States will be entered; Virginia, North and South Carolina, Georgia and Alabama reporting to the home office, other States to be operated through general agencies. James F. Cobb, secretary of the North State Insurance Company, the organizer of the Dixie, will likely be secretary of the new company.

MISCELLANEOUS FIRE NEWS.

VARIOUS ITEMS.

—Rudolph Herold, Jr., manager of the Hamburg-Bremen on the Pacific Coast, who resigned recently because of disagreements regarding adjustments, is interested in the organization of a new company in California.

—The Fidelity Fire of New York is now authorized in Massachusetts, New York, Michigan, New Hampshire, Maryland, Minnesota, Vermont and New Jersey. It will enter other States as rapidly as the legal requirements can be complied with.

—Dividends declared by Pittsburg and Allegheny fire insurance companies: Alleghenia, 4 per cent semi-annual; Birmingham, 4½ per cent semi-annual; German-American, 5 per cent semi-annual; Allegheny Fire, 1½ per cent quarterly; German, 6 per cent semi-annual; Humboldt, 4 per cent quarterly; Teutonia Fire, 4 per cent semi-annual; Monongahela, \$1.50 per share.

—The thirty-six companies which have formed an organization within the Fire Underwriters Adjusting Bureau to facilitate adjustments of San Francisco losses, have appointed a committee of five, which will have offices in the Ferry building. William E. Tyson of New York is secretary of the committee. An assessment has been made upon the subscribing members to meet the expenses of the committee.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Austin Fire Insurance Company, Austin, Texas.

A. F. Hancock, secretary of the Austin Fire, will shortly return to San Francisco and remain there until all of the company's claims have been settled. The company, which is one of the "dollar-for-dollar" class, has already paid all losses in which it alone was interested. It has reduced its capital 50 per cent, thus passing \$211,000 to surplus, which sum, with the surplus of over \$60,000 reported as of April 1, will enable the company to meet all its San Francisco obligations and then show a capital of \$211,000 and a surplus of approximately \$75,000.

Austrian Phoenix Insurance Company, Vienna, Austria.

Dickson & Thieme of San Francisco, managers of the Austrian Phoenix, have resigned, and the company has withdrawn from California, the only part of the United States in which it was licensed to do business. The Austrian Phoenix has \$1,700,000 net liability in San Francisco, and denies liability for earthquake or dynamite losses.

British America Assurance Company, Toronto, Can.

An increase in the capital of this company from \$850,000 to \$2,000,000 has been authorized by the stockholders, \$800,000 of the new issue to be 6 per cent preference stock. It is not probable that more than \$500,000 will be issued in the near future.

Bulgaria Insurance Company, Rustchuk, Bulgaria.

E. T. Marshall & Co. of Chicago and New York state that they are this company's sole United States correspondents, and that no one else in the United States is authorized to bind it or issue its policies.

California Insurance Company, San Francisco, Cal.

This company has levied an assessment of \$200 per share, and it is announced that its capital will be increased from \$240,000 to \$600,000, and its surplus also increased proportionately. Its San Francisco losses are reported to have amounted to \$1,300,000, and it is stated that \$350,000 of losses have already been paid.

Citizens Town Mutual Fire Insurance Company, Kansas City, Mo.

This company has ceased transacting business, and is closing up its affairs.

Commercial Fire Insurance Company, Houston, Texas.

In order to enable this company to meet its San Francisco losses (\$28,685) without trespassing to any great extent upon its surplus, the directors have made an assessment on stockholders of \$25,000, which sum is expected to be paid in to surplus within sixty days.

Continental Insurance Company, New York.

As of July 1, 1906, this company's statement showed assets of \$17,049,386 and a net surplus of \$7,523,019. Its loss reserve amounted to \$1,702,830.

Equitable Fire Insurance Company, Charleston, S. C.

This company is preparing to increase its capital from \$117,800 to \$200,000 and branch out into other States. Its semi-annual statement will probably show a net surplus of about \$50,000.

Exchange Mutual Fire Insurance Company, Philadelphia, Pa.

An examination of this company by the Pennsylvania Insurance Department as of March 31, 1906, showed these assets: Cash, \$940; agents' balances (cash and assessments), \$4948; executive committee, \$1769; bills receivable, \$543; furniture and fixtures, \$411; total, \$8612. There were \$330 of unpaid bills, the only liabilities reported.

Fire Association of Philadelphia.

New stock to the par value of \$250,000 will be issued by this company and sold at 600 per cent, thus adding \$250,000 to capital and \$1,250,000 to surplus.

Franklin Fire Insurance Company, Philadelphia, Pa.

A stockholders' meeting has been called for September 10 to vote upon a proposition to increase the capital to \$1,000,000 and establish a marine insurance department.

German Insurance Company, Freeport, Ill.

The semi-annual statement of this company will show a net surplus of over \$800,000 after providing for San Francisco losses. Its trade profit for the first half of 1906, exclusive of its San Francisco losses, was about \$875,000, and its conflagration losses are placed at \$1,726,000.

Germania Town Mutual Fire Insurance Company, St. Louis, Mo.

The statement of this company (which is understood to write some surplus line business) as of December 31, 1905, showed \$3002 of admitted assets, including cash in bank, \$2478, and premiums in course of collection, \$524. It also possessed furniture, etc., valued at \$150. No liabilities were reported. Its cash premium receipts in 1905 were \$4227, and it paid \$149 for return premiums, \$1029 for losses, and \$571 for expenses. It had \$181,197 of risks in force.

Ginners Mutual Insurance Company, Athens, Ga.

The Ginners Mutual Insurance Company has been organized at Athens, Ga., with the following officers: John D. Walker, president; W. T. Dreger, vice-president; M. M. Stephenson, secretary, and John J. Wilkins, treasurer.

Individual Fire Underwriters of St. Louis.

This association originally estimated its gross losses by the San Francisco conflagration at \$40,000 (on three risks), but subsequently found that one risk was untouched by the fire, thus reducing its maximum liability to \$25,000. The proofs of loss were received last week, and the attorneys, W. H. Markham & Co., have offered to send drafts in payment of these claims on receipt of warranty certifi-

cates from the Liverpool and London and Globe or a telegram from an official or adjuster of that company stating that the company has paid or will pay its losses on these risks on the basis of the proofs as submitted. The Individual Fire Underwriters is getting a considerable volume of choice surplus line risks.

Michigan Fire and Marine Insurance Company, Detroit.

This company's statement as of July 1 shows \$1,292,974 of assets; a capital of \$400,000, and a net surplus of \$160,930.

Milwaukee Mechanics Insurance Company, Milwaukee, Wis.

The semi-annual statement of this company shows assets of \$2,397,070, and a net surplus of \$327,916, after making provision for conflagration losses.

Orient Insurance Company, Hartford, Conn.

The directors of the London and Lancashire, by which company the Orient is controlled, have taken action by which the Orient will have at least \$250,000 of net surplus after paying its San Francisco losses.

Rhine and Moselle Fire Insurance Company, Strasburg, Germany.

This company's representatives have denied liability under its policies upon damaged or destroyed properties in San Francisco, which amounted to about \$4,000,000, but offers a "donation" of \$500,000 to \$1,000,000 to be divided among such policyholders. If this offer is not accepted, it is likely that the question of liability will go to the courts for settlement.

St. Paul Fire and Marine Insurance Company, St. Paul, Minn.

This company's semi-annual statement shows \$4,650,398 of assets; \$500,000 of capital, and a net surplus of \$506,313. Its San Francisco losses (\$1,182,452) are provided for in the statement.

Safety Mutual Fire Insurance Company, Lebanon, Pa.

This company, which writes some surplus line risks, reported assets on December 31, 1905, amounting to \$11,228, comprising cash, \$903; premiums and assessments uncollected, \$9360, and furniture, etc., \$965. Its liabilities aggregated \$13,873, and were made up of losses unpaid, \$8332; borrowed money, \$5500, and outstanding accounts, \$41. Its income in 1905 amounted to \$14,934, and its disbursements aggregated \$13,921.

Security Fire Insurance Company, Little Rock, Ark.

Receiver Chas. McKee has brought suits, on two bonds aggregating \$40,000, against the Aetna Indemnity Company to recover for losses which the Security Fire was unable to pay. The bonds in question were filed with the State authorities, as required by law.

Teutonia Insurance Company, New Orleans, La.

A statement of this company dated June 30, 1906, is as follows:

ASSETS.

New Orleans city and State bonds.....	\$356,600
United States and other bonds.....	221,017
Railroad, bank and other stocks.....	160,101
Premiums in course of collection.....	161,476
Other assets.....	70,000
Interest due and accrued.....	10,435
Cash in banks.....	135,391
	<hr/>
	\$1,115,020

LIABILITIES.

Reserved for unpaid losses.....	\$328,596
Reinsurance reserve.....	424,449
All other liabilities.....	29,000
Capital stock.....	250,000
Surplus.....	82,975
	<hr/>
	\$1,115,020

Provision is made in the above statement for the company's San Francisco losses.

United Firemens Insurance Company, Philadelphia.

This company will increase its capital from \$300,000 to \$400,000, selling the additional stock at 200 per cent, thus adding \$100,000 each to capital and surplus.

Wabash Insurance Company, Hammond, Ind.

A committee consisting of Chas. H. Chadwick, C. C. Griswold and T. E. Bell has been appointed to attend to the adjustment of the affairs of this company. Mr. Chadwick is first vice-president; Mr. Griswold is chairman of the finance committee, and Mr. Bell is treasurer of the Wabash. The members of the committee have appointed an auditor to act for them. The company's Lake county (Ind.) risks have been reinsured in the Michigan Commercial Insurance Company, and the remaining risks are being canceled. It is understood that the company will be reorganized under the general laws of Indiana, with a capital of \$100,000 and a surplus of \$50,000.

Western Assurance Company, Toronto, Can.

An issue of \$500,000 of new ordinary stock has been authorized by the stockholders, and it is understood to have been practically all subscribed.

LIFE INSURANCE TOPICS

NEW YORK.

An inventory of the estate of the late John A. McCall shows net assets of \$33,165.

Nothing definite has been done regarding the withdrawal of the Equitable and New York Life from France, but press notices from Paris state that signs point to the withdrawal of these companies. President Paul Morton of the Equitable is now in Paris. If the companies conclude to remain, they must invest French premiums in French securities. Even if they withdraw it is possible that they will be compelled to follow this requirement with regard to old business. The Mutual Life is reported to have withdrawn.

BOSTON AND VICINITY.

General Field Superintendent H. H. Hoyt of the Columbian National Life has been appointed agency director of the company.

The special committee of the legislature on the recodification of the insurance laws and to consider various matters relative to life insurance, will hold its first meeting July 17.

Mrs. George E. McNeill, widow of the late George E. McNeill, of the Massachusetts Mutual Accident, died Wednesday morning, her death following that of her husband by a few weeks.

NOTES FROM PHILADELPHIA.

John J. Riley of this city, specifically naming the Columbian National Life as the company operating under the plan, is seeking information from Attorney-General Hampton L. Carson as to whether the selling of stock in conjunction with life insurance policies is in violation of the anti-rebate law of the State of Pennsylvania.

The Central Accident has declared a semi-annual dividend of \$4 per share.

Manager W. A. L. Laughton of the Employers Liability in this city, accompanied by Mrs. Laughton, sailed yesterday on the "Kaiserin Augusta Victoria" for a well-earned vacation, which will be spent in touring the British Isles and Europe.

The liability of John Wanamaker, covering the New York and Philadelphia stores and connections, which has been carried by the Frankfort, has been canceled. The line has since been offered to other leading liability companies in this city.

The condition of the plate-glass insurance business in Philadelphia is not improving any, rates having reached a point where it is almost impossible to show a profit. The building recently erected at the northeast corner of Broad and Walnut streets offered a fair sample of the competition to be met with. The ground-floor stores have patent clamped glass fronts, but the company securing it received only a small fraction of the rate it should have gotten. A recent wind storm caused the second serious loss in a few months, and the company insuring has suffered losses several times the amount of the premiums.

THE MIDDLE STATES.

Life Insurance Developments of the Week.

The administration ticket for trustees of the Mutual Life had not been completed prior to the meeting of the trustees on Tuesday the 17th inst., owing to the determination of the board to have as representative men as possible on the board.

The ticket as announced on Wednesday is made up as follows: Directors from McCurdy regime, George F. Baker, president First National Bank; John W. Auchincloss; Dumont Clarke, president of the American Exchange National Bank; Frederic Cromwell, ex-treasurer; Julien T. Davies, ex-general solicitor; Charles D. Dickey of Brown Brothers; William P. Dixon; Charles R. Henderson of Henderson & Co.; James N. Jarvie, formerly of Arbuckle & Co.; Augustus D. Juilliard; Charles Lanier; Theodore Moflord of Newton, N. J.; William H. Truesdale; H. McK. Twombly; Cornelius Vanderbilt. Directors since McCurdy retired: Hugo Baring of Baring Brothers; Charles S. Brown of Douglas Robinson, Charles S. Brown & Co.; Emory

McClintock, vice-president and actuary; William C. McMillan of Detroit; George P. Miller of Milwaukee; Charles A. Peabody, president; Henry Phipps of New York; Leroy Springs of Lancaster, S. C.; Louis Stern of Stern Brothers. New nominations: Cyrus Curtis, Philadelphia; H. Rieman Duval, American Beet Sugar Company; Judge George Gray and Harlow N. Higginbotham of the international policyholders' committee; William H. Lambert, general agent for the Mutual in Philadelphia; Sir Hiram Stevens Maxim of Vickers, Son & Maxim, London; Thomas M. Mulry, president Emigrant Industrial Savings Bank; Emil Oscar Philippi of Paris; George C. Rand, lawyer; Henry W. Taft of Strong & Cadwalader; Gen. Benjamin F. Tracy and Col. Alfred N. Shook, of Nashville, of the international policyholders' committee.

It is reported that the four members of the international policyholders' committee were nominated without their consent and will probably refuse to serve.

Julien T. Davies, one of the trustees of the company, has explained a statement in the Truesdale committee report connecting the rent of his offices \$15,000 per annum, with a retainer of a similar amount. He claims that there was no retainer and that the amounts paid were for actual services rendered, and regarding which specific bills had been submitted.

A second suit has been filed against former President McCurdy, which seeks for an accounting of the padded bills revealed by District-Attorney Jerome in his investigation of the supply department. Mr. McCurdy is also asked to account for the \$25,000 quarterly payments made on voucher of Robert Olyphant, ex-chairman of the committee on expenditures.

United States Circuit Judge Horace J. Lurton of Nashville has withdrawn from the administration ticket for trustees and has been placed on the committee charged with procuring proxies. John E. Andrus of Yonkers, a member of Congress, succeeds him as candidate for trustee. The company has ceased making payments to the Nyllic fund for agency directors, although the final disposition of the plan has not been determined upon. A statement showing that the company had expended \$597.92 in connection with legislation at the recent session of the New York Legislature has been filed with the Secretary of State at Albany. The outlay was for traveling expenses and hotel bills of employees and copies of the proceedings before the legislative committee. It is said that the statement of such expenses is not required by law.

Yesterday the work began of copying the lists of policyholders filed at Albany, and the various policyholders committees announced that there were over four hundred men ready to take up the work. A number of manifestoes have been issued by these committees during the week along the usual lines of criticism as to the methods of the present managements of the companies, and claiming that the policyholders are continuing to suffer.

New Jersey Life Investigation.

The Senate committee, which is investigating insurance in New Jersey, met again on July 16, and continued in the Senate chamber the examination of members of the banking and Insurance Department. William H. Corbin, counsel for the commission, laid before the committee a quantity of evidence consisting mainly of replies received from several companies to a circular sent out by the committee requesting information and inviting comment.

The general trend of the replies was that the New York laws are too drastic and harsh. The Buffalo Insurance Company's communication described the New York laws as being not only uncalled for, but foolish.

The Hartford Life asserted that none of the evils disclosed in the New York investigation existed in that company.

Vice-President English of the Ætna Life did not approve of the New York laws, especially in their application to the dividend system. David O. Watkins, the State Commissioner of Banking and Insurance, testified as to the system and purposes of insurance company examinations.

Other witnesses called were Henry F. Galpin and Elliott Harden, two of the bank examiners, and David Parks Fackler of New York, actuary for the Department.

On Tuesday the following witnesses appeared: President Uzal H. McCarter of the Fidelity Trust Company of Newark, Ernest J. Heppenheim, second vice-president and executive officer of the Colonial of Jersey City, and actuary David P. Fackler of New York. On Wednesday, President Dryden of the Prudential is expected to appear as a witness.

—The Reliance Life's new business for June amounted to 324 applications for \$736,000 insurance.

—Andrew Langdon of Buffalo has won his suit against the Northwestern Mutual Life, under a fifteen-payment, semi-tontine policy taken out in 1889.

—The semi-annual statement of the Security Mutual Life shows the following increases over the first six months of 1905. Income \$129,710, and payments to

policyholders \$62,160. The company has decreased its commission and office expense by \$39,698. The new paid for business for the first six months of this year amounts to \$5,049,750.

—W. Miller Scott, formerly of the firm of Scott & Stockder of Hartford, general agents for the Provident Life and Trust, has succeeded William G. Justice, who has resigned as general agent of the company at Buffalo.

—L. Reese Alexander, one of the best producers in the agency of Wells & Hilleman of Pittsburg, representing the Provident Life and Trust, has gone to Des Moines to represent the company as general agent for Iowa.

THE WEST.

Ohio Notations.

[FROM OUR OWN CORRESPONDENT.]

Jesse R. Clark, treasurer of the Union Central Life Insurance Company of Cincinnati, has been elected president and manager of insurance to succeed the late Governor Pattison. Mr. Clark is a son of the late Bishop Davis W. Clark, one of the founders of the company and all his life a strong supporter of it. When the son graduated he took a position in the office and has been with it continuously since. In 1878 he was made cashier, and in 1880 was chosen to the board of directors. Two years later he became a member of the executive committee and was chosen treasurer in 1886. The duties of this office have been so well performed that the directors feel Mr. Clark will make a success as the chief executive. Governor John M. Pattison was chosen president of the Union Central when it was a small institution, struggling for recognition. Under his charge it has grown to be a comparatively large company, with assets of \$50,000,000, surplus of \$8,000,000 and \$240,000,000 insurance in force. Mr. Clark has had all this business under his eye, and knows it from beginning to end. In the Wisconsin investigation it was shown that of the \$80,000,000 loans made by the company since its organization, but \$60,000 losses had been incurred, and of the \$44,000,000 now loaned, but \$131,000 foreclosures are shown on the books. The average interest return has been 6½ per cent. Mr. Clark has had a part in handling this business and to him is due a portion of the credit for handling the money intrusted to the company with care. The policy of the late Governor Pattison will probably be continued without a change. Secretary E. P. Marshall was chosen vice-president.

Directors of Midland Mutual Life of Columbus have decided to sell but \$100,000 of the additional stock authorized two weeks ago. The price set upon this is \$160 a share, and it will be handled by a man employed for that purpose, none of it being placed in the hands of brokers.

The Maryland Casualty Company has held up the transfer of a piece of real estate in Clark county from the Dayton, Springfield and Urbana Railway Company to the new Indiana, Columbus and Eastern Traction Company. The company claims to have levied on the property while in the name of A. E. Appleyard for premiums unpaid and that the claim has never been satisfied.

O. M. C

Cleveland, July 17.

Wisconsin Investigation.

The Wisconsin legislative investigating committee, of which Senator Frear is chairman, has gone into secret session and announces that it may be engaged for three months in making its report. While no statement has been issued as to what the recommendations of the committee will be, it is generally admitted that the following is a pretty accurate outline of what may be expected in this particular:

Legislation to secure to the policyholders of mutual life companies a voice in the companies' control by forbidding the voting of proxies and requiring the submitting of lists of candidates for all offices in the companies to the policyholders for them to vote upon by mail.

Legislation to make the business of mutual life companies mutual in fact as well as in name by forbidding all discrimination against any class of policyholders and in favor of other classes.

Legislation providing that stock life companies hereafter organized shall provide for the retirement of the stock after a limited period and the placing of the company on a pure mutual basis.

Legislation limiting the amount insurance companies may expend to secure new business.

Legislation requiring the annual distribution of the general surplus, thus cheapening the cost of insurance in many instances.

Legislation requiring more liberal treatment of policyholders, providing among other things that there shall be no forfeitures after the first year's premium has been paid.

—Theodore K. Long, general counsel of the Illinois Life, has resigned.

—The Equitable Life is investing heavily in real estate mortgages on the Coast, in the Middle West and in the South.

—David M. Foltz, special agent of the Equitable Life of New York at Los Angeles, has within the present month written an application for \$200,000 in-

surance on the life of U. S. Grant, Jr. Last March Mr. Foltz wrote Robert John Hancock of San Francisco for \$100,000.

—The National Life of U. S. A., Chicago, will issue a new form of participating policy, with annual dividends after the second year.

—Frank D. Callan, a Chicago broker, who committed suicide recently, carried about \$200,000 life insurance in a number of companies.

—Albert S. Rennie of Chicago has resigned as manager for the Security Mutual Life in Northern Illinois, and will hereafter sell life insurance as a broker.

—The writings of the Northwestern Mutual during the first six months of this year were over \$6,000,000 in advance of those of the similar period of 1905.

—The United States Annuity and Life of Chicago has appointed the following agents: F. H. Hibbard, F. J. Frazier, John Pitman, E. J. Tousey and J. G. A. Boyd.

—A rumor is afloat that a number of Indiana life companies are considering a consolidation. The companies mentioned are the Inter-State, Reserve Loan and the Meridian Life and Trust.

—The Chicago Life is now registering its policies with the Illinois Insurance Department. W. R. Payne, formerly of the company, has been elected secretary of the American Mutual Life of Chicago, now in process of organization, with E. A. Loomis, Jr., as superintendent of agents.

—On July 15 the Prudential consolidated its several Chicago ordinary agencies in the Hartford building. J. L. Ferguson, who has been in charge of the Merchants Loan and Trust building office, will have general supervision. The other managers of the consolidated offices will remain with the company.

—The Midwest Life of Lincoln, Neb., is now fairly started. It commenced business May 1, and has its first \$100,000 of insurance in force. William M. Thompson of Omaha, a successful life insurance agent of long experience, has joined the agency force of the company. Mr. Thompson was with the Mutual Life of New York for a number of years.

—W. R. Eidson has been appointed vice-president of the Western Life Indemnity Company of Chicago, and will at once begin an active campaign for new business. Mr. Eidson was formerly with the Woodmens Modern Protective Association of St. Louis, and has been prominently identified with fraternal insurance for the past fourteen years, serving several terms as president of the Associated Fraternities and Fraternal Congress. The Western Life will re-enter all the States it was formerly in.

—The Life Underwriters Insurance Agency of Denver has brought suit for \$100,000 damages against the New York Life. The suit is the result of State Auditor Bent's order prohibiting the State Life of Indiana from selling life insurance contracts together with a proposition offering stock in the company. The plaintiffs allege that the New York Life issued misleading circulars explaining this feature of the State Life's business. G. A. Newkirk, Colorado State agent of the Mutual Benefit, has also been sued for slander in the sum of \$100,000, under similar charges.

—The amount of business written for the first half of the year by the Meridian Life and Trust is \$2,195,000, which is about \$300,000 more than the amount written for the first half of last year. The amount of insurance gained is \$1,580,000 or about \$200,000 more than for the first half of last year. The assets of the company have increased from \$703,006 at the beginning of the year to \$772,660 at the close of June. The company has recently made a general agency contract with E. C. Lester of Atlanta, Ga., for the States of Georgia and Alabama, and is now getting a nice business started in that territory. Arrangements are being made to enter two or three additional States, and the managers expect to close this year with at least \$12,000,000 of insurance in force, which will be just about double what they had at the beginning of the year.

THE NEW ENGLAND FIELD.

—Howard H. Hoyt, formerly Western superintendent of the Equitable Life, has been appointed assistant agency director of the Columbian National Life. He will have charge of the Central and Southern department, covering the West all the way to the Coast.

—The Massachusetts companies have agreed upon a uniform scale of compensation for general agents, to go into effect on January 1, 1907, to comply with the New York law. The scale adopted calls for 50 per cent commission for whole life policies, 45 per cent for twenty-five-payment life, and 40 per cent for twenty-payment life. These companies propose changing their reserve basis from 3½ to 3 per cent within the near future.

THE SOUTH.

The Fort Worth Life Insurance Company.

Organized as a legal reserve life insurance company with a paid in capital of \$100,000 and surplus of \$25,000 the Fort Worth Life Insurance Company of Fort Worth, Tex., has entered the field. It possesses a competent management which proposes to conduct the company's affairs along the lines of honesty, economy and fairness. All desirable forms of participating and non-participating contracts will be issued, embodying a variety of new features which will tend to make them very attractive to both policyholders and agents. The stockholders who paid

in the first \$100,000 of capital at a premium are representative business men of the Lone Star State and are all taking an active personal interest in its welfare. Among the officers of the company are: President, J. Y. Hoggsett, a well-known citizen of Fort Worth; vice-president, W. G. Newby; vice-president and general manager, B. P. Bailey, who has had valuable experience in life insurance work; secretary, W. D. Harris, mayor of Fort Worth, and treasurer, J. T. Pemberton, a well known capitalist.

—Elisha H. Walker, of the firm of Walker & Taylor of Baltimore, representing the Provident Life and Trust, has retired.

—A new and progressive old line life company operating in Southern territory, advertises in another column for an experienced man to act as superintendent of agents.

MISCELLANEOUS LIFE NEWS.

The Canadian Investigation.

On July 9 the Commissioner examined the Ancient Order of Foresters. W. Williams, secretary, stated that the assessment system was unsatisfactory and he did not believe it would ever pay. Under the assessment plan under which the order operated until the passage of the Dominion Act in 1898, the order lost about \$400 on each \$1000 claim paid. At the present time no actuary is regularly employed, but the need of one is felt. A number of other assessment concerns are being examined.

The Central Life was examined and manager J. M. Spence testified that he held 1700 proxies, giving him the voting power of the company, which he admitted he used for his own ends, considering himself rather than the shareholders. This one-man power was the cause of considerable dissension in the board of directors. As to a loan obtained from the company by Mr. Crawford, as former member of the board, Mr. Spence said Mr. Crawford was much in need of money when the loan was made and did not know where to get it, while Mr. Crawford stated that he took the money to oblige the company, and could have obtained it elsewhere at a lower rate. A prospectus issued by the management stated that a premium of \$2.50 a share and a call of ten per cent would put the company on a paying basis. This proved to be an incorrect estimate, as in 1905 the capital showed an impairment of \$36,000. Mr. Spence admitted the misrepresentations in the prospectus, but blamed the extension of business for the excessive expenses. Mr. Spence admitted that he did not think it proper for a manager to be able to control his directors. Mr. Crawford stated that when president of the company he had borrowed \$4000 on his note. Investments in illegal securities were shown and Mr. Spence stated that since the company was organized its expenses had been greater than its receipts.

On the eleventh instant the Commissioner examined the affairs of the Dominion Life at Waterloo. The company was organized in 1889 under a Dominion act and located in Waterloo because it was thought it could be managed from a small place with less expense than from a large city. Mr. Hilliard, president and managing director, was the only witness examined and he stated that neither he nor any of the directors received anything for organizing the company except their traveling expenses. The capital stock of \$250,000 was one-quarter paid up. Mr. Hilliard considered voting by policyholders to be more or less of a humbug. No loans were made by the company to officers or directors, but a loan of \$4000 was made on mortgage to an agent. The company at one time held Sao Paulo bonds, but upon hearing that they were not considered a proper investment they were sold at a small profit. Mr. Hilliard stated that the company was paying its way and creating a small surplus.

The Mutual Life of Canada was examined on July 12.

—The National Fraternal Congress meets at Montreal on August 15, and will give consideration to the table of mortality which it has authorized Abb Landis to construct from the actual experience of the societies.

—The Sun Life of Canada, which established a branch in France about two years ago, has decided to withdraw rather than comply with the new law requiring the investment of French premiums in French securities.

—The American Tobacco Company, which has plants in twenty-seven cities and stores all over the country, and which employs 150,000 persons, has announced its intention to furnish to every employee whose weekly salary is \$50 or less a week free life insurance not to exceed \$500. Upon proof of death of any person in the employ of the company within the salary limit, and who shall have been in the service of the company for at least a year preceding his or her death, the company will donate a sum equal to the last year's wages of the deceased, not to exceed \$500.

Casualty, Surety and Miscellaneous

International Association of Accident Underwriters.

The second day of the nineteenth convention of the International Association of Accident Underwriters found the delegates eager for business when the president called the meeting to order at the Hotel Champlain, Bluff Point, N. Y. The chair of the secretary, G. Leonard McNeill, was vacant, he having been called home by the sudden death of his mother. An announcement of that fact by the chair caused universal regret. Bertrand A. Page of the Travelers was elected temporary secretary.

William De M. Hooper reported the progress of the bureau of information and replied in a comprehensive manner to a number of queries relative to its work and its benefits to accident companies generally. The association has referred to the bureau the question of a classification of accidents in connection with automobiles. James V. Barry, Insurance Commissioner of Michigan, was next presented and read his paper on "The Insurance Company and its Relation to the Public," extracts from which were presented in THE SPECTATOR last week. The paper was most cordially received and at a subsequent session some discussion was had upon it.

Walter C. Faxon reported on behalf of the committee on the uniform classification of occupations manual, stating that a number of companies had adopted it, but although the association as a whole had recommended it, there was no way of compelling its adoption by all companies.

Carl Schurz Petrasch handed in a report on the suicide clause as enforced in Missouri, and in behalf of the committee recommended that the provision against full loss in case of suicide be covered in the schedule of indemnities rather than in a special clause. The convention therefore urges members to follow this suggestion.

Thursday's session opened with the presentation by Dr. R. S. Keelor of the report of the special committee on valuation of sickness experience. The report was a most elaborate one, being made up from the experience of thirteen contributing companies and covering policies written or renewed in 1903. In accordance with the suggestion that the experience be collated for the two years, 1904 and 1905, all the companies writing health insurance agreed to furnish their statistics to the committee. As a result the business of health insurance stands a fair chance of speedily being placed on a scientific basis in this country.

The next order of business was the reading of a paper on "Insurance as a Part of a University Education," by F. C. Oviatt of The Philadelphia Intelligencer. His argument that insurance was as important as any subject now taught in colleges and university received the warm commendation of the convention. V. D. Cliff, secretary of the United States Health and Accident, read a paper on "The Origin and Development of Industrial Accident and Health Insurance in America," a subject which is receiving considerable attention just now owing to the multiplicity of companies engaged in it.

At Friday's session the paper prepared by Miles M. Dawson on "Development of Health Insurance in North America," was read in his absence by E. G. Robinson. Extracts from the paper are herewith presented:

In the development of health insurance itself we may distinguish many parallelisms, also, with the earlier as well as the later stages of accident insurance. Thus, at first the benefits were offered only in event the loss of time was caused by one or more of a very few ailments—as the late President Patterson put it to me once, "against yellow fever in Labrador and smallpox in the tropics." Certainly, many of the usual and most to be dreaded diseases were omitted designedly. This was much like insurance against accidents of travel only. The limited time for which benefits were and are payable is also much like the comparatively short limit in earlier accident policies.

Gradually, also, as in accident insurance, the policies have been broadened, so as to cover disablement by any disease or nearly so, precisely as accident insurance was long ago broadened to cover disablement by any accident.

And now, and for some time past, the two contracts are being merged, more than one company refusing to issue separate health policies, or refusing to do so unless the applicant holds and maintains in force a separate accident policy in the company for the same amount. * * *

There was a long period during which, aside from semi-charitable schemes, such as aid from lodges, health insurance was not to be had. This lasted until the introduction of a health policy by the Fidelity and Casualty. In the old days also it is probable that there was little demand, but in our day the demand is extensive and grows apace.

Our people also appreciate full protection, and the fifteen diseases gave way to twenty-six, the twenty-six to forty or more, and at last to "general." In practice, companies found the limited diseases policies troublesome also, for somehow the sufferer was always made out to have one of the limited diseases. It became a standing joke that no loyal and conscientious family physician ever thought of completing his diagnosis before he had consulted the limited diseases policy, and had selected the ailment named therein which the symptoms would most nearly square with.

It was at first thought that the average American, accustomed to the low premiums for personal accident insurance, would not pay the price for protection against all diseases, but that in turn has proved untrue. The twenty-six diseases policy sold better than the fifteen, the forty than the twenty-six, and the "general" than either of them. The American patrons of insurance want the best that can be had, and are willing to pay for it, and this is peculiarly true of their insurance.

And this brings me to a subject near my heart, which is that the best we are as yet offering them is not good enough. It seems to me wanting in several important particulars, among which may be mentioned:

(1) Even the "general" policy does not cover fully enough, and particularly as to duration of indemnity payment. Thus no attempt, or next to none, is made to cover effectively against precisely those forms of disease which from a disability standpoint are most to be dreaded, such as consumption, rheumatism, paralysis, locomotor ataxia, etc. It would cut no great figure with the average man, perhaps, if short illnesses were not compensated; it is the long illness that is a catastrophe which may spell ruin.

(2) No provision is made for renewal at the option of the insured. In consequence, precisely, those who come to need health insurance the worst may, and indeed will, be deprived of it, notwithstanding their own prudence and forethought.

These are defects that have arisen from the fact that health insurance in this country has sprung from accident insurance, and I have no doubt that many of my hearers suppose them to be inseparable from good management in the business. But there is really no reason whatever why they should not be remedied, and the growing demands of Americans for more and more perfect protection will surely result in their being remedied.

By many—though not by so many as when, nearly fifteen years ago, I began to urge with pen and voice the introduction of health insurance in America—it is supposed that statistics are wanting upon which to base safe rates for protection which will cover completely and be renewable at the pleasure of the policyholder. This is not the case, however; thoroughly digested experience with insured lives running into the hundreds of thousands were at hand even forty years ago—experiences upon which rates for select, preferred and ordinary occupations in this country might safely have been based. And since then the confirmation of the exhaustively analyzed experiences with millions of insured lives has been added, besides the testing out of such rates by a stock company doing business among the business and professional classes in Great Britain for nearly twenty years past. * * *

It is entirely feasible to supply health insurance covering disability from any cause, whether disease or accident, for a premium which need not increase though the risk does increase with age, giving weekly indemnity throughout the duration of the disability and redeemable at the pleasure of the insured, and it is unlikely that the discerning American patron of health insurance will long be content with less than this.

Such a policy would, of course, call for a mathematically adequate reserve, and the present laws of New York provide for this. This reserve, being on a net premium basis, is smaller the first year than the usual "fifty per cent" reserve, but it accumulates, and after some years amounts to much more.

It will be observed that it is much more nearly akin to legal reserve life insurance in these regards than to personal accident insurance. These and the British friendly societies invariably supply with it some life insurance. So far as life insurance is indemnity it is compensation to others for the "day's work" in a man that are cut off by death; health insurance is compensation to the man for the days' work cut off during his life-time by disability. * * *

A discussion on Mr. Barry's paper was precipitated by a commendation of it by Walter C. Faxon. Edson S. Lott took issue with some of the statements, and Messrs. Butler, Eastmure and Lentz were heard. At the invitation of the president Mr. Barry replied in a vein which disarmed criticism and caused the convention to acclaim him the victor in the oratorical contest. Reports of committees on uniform phraseology and the Ohio requirements as to sunstroke and freezing. The nominating committee presented its ticket, which was unanimously elected as follows: President, H. G. B. Alexander, Continental Casualty Company, Chicago; vice-presidents, George S. Dana and J. E. Roberts; treasurer, George C. Pratt; secretary, G. Leonard McNeill; executive committee, Walter Faxon, Aetna Life, chairman; F. J. Moore, William Bro-Smith, A. E. Forest, R. S. Keelor, A. W. Masters, W. C. Potter, V. D. Cliff and R. B. Armstrong.

Time and place for the next meeting were left to the discretion of the executive committee, with choice between Frontenac in the Thousand Islands, Bretton Woods, N. H., and Atlantic City. In the evening about one hundred persons attended the banquet at which speeches were made by J. V. Barry, Robert B. Armstrong, Carl S. Petrasch and D. Murphy.

Casualty Notes.

—The American Life and Accident Insurance Company has been incorporated at Louisville, Ky.

—The Pacific Title Insurance Company has been organized at San Francisco with \$500,000 capital stock.

—H. D. Cummings & Co. of Chicago have been appointed Cook county agents of the Empire State Surety for burglary lines.

—George A. Kingston has been appointed manager of the claim department at the Toronto office of the Employers Liability Assurance Corporation.

—The Washington Mill Company of Spokane has decided to have all its employees carry accident insurance, the cost to be borne about equally between the company and its operatives. A rate of \$4.12 on each \$100 has been made and the policies are for \$1500 each.

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"ADMINISTRATION" TRUSTEES OF LIFE COMPANIES.

CONSIDERABLE curiosity has been manifested as to the make-up of the "administration" tickets for trustees of the Mutual and the New York Life for election in January next. Under the new law the companies were required to file with the Superintendent of Insurance lists of their nominees on or before July 18, after which policyholders have two months in which to prepare and file lists of their nominees for trustees. The companies have complied with the law, and the names of the gentlemen selected have been printed in THE SPECTATOR. Some difficulty has been experienced in securing men of prominence to accept these positions, for the reason that the law prohibits trustees from being interested in any business transactions to which the company is a party. It is difficult for any business man to say that he may not at some time have some dealings with the company, and especially is this true as to persons identified with financial firms whose operations might be crippled because some member of it was a trustee of a life insurance company. Then, too, there has been so much mud thrown indiscriminately at gentlemen who have occupied such positions in the past that many men who would be desirable trustees are unwilling to run the gauntlet of yellow journal abuse. Many men who have spent their lives in honorable business enterprises and have acquired reputations for honesty and ability are reluctant to become the recipient of such abuse as cheap ward politicians are usually subjected to. Others, however, conscious of their own rectitude, are not so sensitive, and so the companies named have made up tickets for directors, and in the lists will be found the names of men of prominence in national, financial and commercial enterprises. Some of the nominees have been long identified with the companies, and have thereby acquired a knowledge of the business of life insurance that should be of value to policyholders, while the reputations and business training of the new men entitle them to the confidence of the public. The nominees of

the policyholders will soon be announced, and the campaign for proxies will become lively.

What is said above regarding the reluctance of some men to become trustees applies also to some extent to the official positions. A gentleman who has been identified with the insurance business for years, and who is in receipt of a liberal salary, was recently asked if he would accept the presidency of one of the large companies. His reply was that under no consideration would he entertain the idea, although the salary were made double what it is. He gave as his reasons for not desiring the position the fact that the company has so many millions of assets that belong to thousands of policyholders that the responsibility regarding them would be such as to weigh on his mind constantly and wear him out in a short time; furthermore, the president of such a company is sure to be the subject of criticism, usually of an ignorant character, but none the less galling to a sensitive man, while the manifold details of the business would keep him on the ragged edge of anxiety. To a man who appreciates the responsibility of such a position and seeks to do his full duty to the policyholders, the salary attached to it is no compensation for the sacrifice he would make in accepting it. The gentleman referred to is fully competent to fill the office of president of any company, having already made a success of one insurance company and also of an industrial company with which he is identified, but the large salary of the presidency referred to was no temptation to him. When criticisms are made of salaries paid men in responsible positions, the fact that heavy and wearing responsibilities usually attach to such positions is lost sight of.

HIGH pressure methods in the prosecution of the life insurance business will no longer prevail, according to the announcements of the managers of the three leading companies, and while agents will be urged to put forth their best energies to secure business, they will not be dragooned as heretofore nor offered excessive bonuses and other stimulants to induce them to send in anything in the way of applications. The experience of the past year and a half has taught that the claim of bigness does not appeal to the public as it used to do, it being generally believed that the competition between the companies to secure a large volume of business is responsible for the scandals that have brought discredit upon them. This race for business had been going on for many years, the ambition of the management of each of the "giants" being to beat the other fellows, and all sorts of unbusiness like practices crept in—and were encouraged. Under this unhealthy stimulus the companies attained a magnitude that made them unwieldy, while the rapid accumulation of funds opened the way to those financial abuses that have been so freely exposed and that resulted so disastrously to many of the old officers. Under the new managements reforms have been instituted calculated to prevent abuses in the future, and to give better results to policyholders, whose interests had heretofore been regarded as secondary to beating the other fellows in the race for business. Hereafter the competition for business between the large companies and those of lesser magnitude will be on more equal terms, for agents of the former will scarcely venture to claim that their volume of busi-

LIFE INSURANCE TOPICS

ness and of assets entitle them to special consideration. On the contrary, a record of conservatism in the past and a career that has been free from scandal will make a stronger appeal to prospective insurers than any other. While life insurance has suffered in some respects through the recent investigations, it will be the gainer from them in the future. It has been conclusively shown that the abuses that were believed to exist were confined to a few individuals, and that the system itself was in no wise responsible for them. Attention has been especially directed to life insurance, and with the restoration of confidence in the management of companies there will come an increased demand for the benefits and protection it affords.

THAT the fire insurance companies involved in the San Francisco conflagration considerably underestimated their ultimate losses thereby, is becoming more apparent daily. When this paragraph was written, the revised estimates of ninety-six companies reporting to the New York Insurance Department were available for comparison with their original estimates filed with that Department; and scrutiny of the two lists reveals the fact that of these ninety-six companies, nine reported unchanged figures; seventy-three reported increased estimates of their net losses, and fourteen reported decreased estimates, the net result being an increase of over \$15,000,000 in the estimated losses of the companies comprising the entire group. There are numerous other companies which were more or less heavily involved, but which do not report to the New York Insurance Department, or which had not yet reported, and it is probable that many of these companies will be found to have incurred losses considerably exceeding their original estimates. Altogether, the outlook is not a pleasing one; but the companies are, in the main, at least, finding where they stand, and are thus in better position to make plans for the future. While it is possible that there may be still further mortality among the fire insurance companies, there seems to exist a strong disposition on the part of their stockholders to tide them over their difficulties and thus enable them to continue their careers of usefulness to the business community. It is to be hoped that business men will appreciate the sacrifices made in order that they may be able in future to secure needed indemnity, and will not object to the general rate advances which are deemed necessary to put the companies upon a stable basis. It is certainly more satisfactory to pay a few dollars more for a genuinely good article, than to buy shoddy goods for less, only to find that, when an emergency arises, they cannot stand the test.

At the last meeting of the New York Board, a resolution was passed reviving the special committee on economies, with a view of co-operating with the special committee of the Exchange. This refers to the much-discussed plan of consolidating certain parts of the machinery of the two bodies, which are now doing work twice which can as well be done only once. It appears that the work of the two committees, accomplished last winter and spring, which was approved in principle by both the Board and the Exchange, was halted by the more important events of the San Francisco calamity. Now it will be picked up again and carried forward.

NEW YORK.

The Philadelphia Casualty has terminated its agency arrangement with J. H. Delesderniers, and has opened a branch office at 77 William street, in charge of E. G. Letzkus, where the company is now prepared to issue accident, sickness, plate glass, steam boiler and liability policies.

Alfred Beit, the English "diamond king," who died last week, was insured in the Equitable for \$100,000. He took out a policy in 1888 for \$30,000 in favor of his estate, and in 1890 he took out three policies, two for \$25,000 each and one for \$20,000, in favor of his wife. Three of the policies were of the tontine order and had expired, netting him \$10,000. On his entire insurance he had paid in about \$55,000 in premiums, netting his estate or his wife about \$55,000 clear.

Frederick E. White of the Columbian National's Boston office No. 2 has been transferred to New York, to act as metropolitan manager, succeeding H. J. Chapin, who will take up a general line of work as field superintendent.

J. G. Cloud, manager for the American Fidelity in New York, New Jersey and Connecticut, reports net premiums of \$128,000 for the first six months of this year, which is within a few hundred dollars of the entire business of this office for the whole of 1905.

G. G. Wetzel, manager of the New York office of the Aetna Life's liability branch, reports a substantial increase in the half year's business over that of the similar period of 1905.

The Aetna Life's accident branch in this city reports a twenty per cent increase in this line of business for the half year as compared with the first half of 1905. The life department, under Mowry & Patterson, report an increase of over fifty per cent in their paid-for business.

Last week seventy members of the Pittsburg agency of the Equitable Life, under Manager Edward A. Woods, visited New York, and were entertained on Friday at luncheon by the society. Vice-President Day addressed them on the housecleaning undergone by the society and some features of the Armstrong bills.

BOSTON AND VICINITY.

Whatever may be done in the future, it is a fact that the Massachusetts life companies, notwithstanding assertions outside the State to the contrary, have not come to an agreement to change the basis of reserve from three and one-half to three per cent, to conform to the so-called Armstrong enactments. There is a difference of opinion among the Massachusetts companies, and they seem to be about equally divided between the three and a half and the three per cent basis. The special recess committee of the Massachusetts Legislature, among the measures referred to it, is considering the proposition to amend the law as to cash surrender values. This committee will report its recommendations to the legislature when it convenes next winter, and it will depend upon what action the General Court takes relative to cash surrender values whether the Massachusetts life companies decide to change from the three and a half to the three per cent reserve basis or not.

General Agent Louis E. P. Smith, Boston, of the Northwestern Mutual Life, has been attending the annual meeting of the agents of the company in Milwaukee.

NOTES FROM PHILADELPHIA.

The recent threat of some of the burglary insurance companies to withdraw from the compact unless the outsiders were brought in line, seems, from present reliable information, to have brought about the desired result. It is said that the compact will shortly be signed by every one of the outside companies.

It is said that at the next session of the Pennsylvania Legislature an effort will be made to pass a bill prohibiting concerns doing a general banking or trust company business from issuing surety bonds, in con-

formity with a recommendation contained in Governor Pennypacker's message of January 3, 1905. In view of the contention of the depositors of the defunct Union Surety and City Trust, Safe Deposit and Surety Company, to insurance men the enactment of such a law would seem to be a necessity.

It is understood that the vacancy in the office of president of the Penn Mutual Life of this city will not be filled until some time in the fall.

After a service of fifteen years in the actuarial department of the Penn Mutual, Theodore F. Patterson died last week at Valley Forge, Pa.

The Penn Mutual again heads the list of taxpayers among corporations holding personal property, with a total of more than \$40,000,000.

C. Elliott Reid has been placed in charge of the branch office for casualty, burglary, plate glass and accident insurance, which has just been established in this city by the Empire State Surety of New York. His office is at 401 Drexel building. Resident Vice-President George D. Weaver continues in charge of the surety branch office of the company.

The annual circular of the Corporation for the Relief of the Widows and Children of Clergymen of the Protestant Episcopal Church in the Commonwealth of Pennsylvania, just issued, says, that in November, 1866, the members agreed upon a division of the funds of the Corporation for the Relief of the Widows and Children of Clergymen of the Protestant Episcopal Church in the United States of America among three contemplated distinct corporations in the States of New York, New Jersey and Pennsylvania. The share of the funds apportioned to the Pennsylvania Corporation amounted to \$10,390. The assets have now increased to over \$900,000. A remarkable exhibition of strength is shown in the report of Actuary Jesse J. Barker of the Penn Mutual Life, who recently made an examination of the condition of the corporation, and in view of that fact it has been decided to grant an insurance of \$8000 instead of \$5000 when the assured is not over sixty years of age; and that the premiums may be paid semi-annually or quarterly if desired. Twenty-seven policies were issued during the year past, three were paid, and nine who have paid premiums for fifteen years were given paid-up policies. The statement shows that policies in force May 1, 1906, amounted to \$702,645.

The Agents Association of Philadelphia has been formed to prevent frauds on or by casualty companies. The officers are: J. Dillon, president; H. Burton, secretary; S. Linton, treasurer. The association's headquarters are at 608 Chestnut street.

S. W. Vortigern, formerly superintendent of agents of the Life Association of America, has been appointed director of agents of the Philadelphia Life, with headquarters at Atlanta, Ga. Jerome Lynch has been appointed general agent for West Virginia for the same company, with Wheeling as headquarters. Still another new appointment by the Philadelphia Life is that of J. J. Bradley as division "A" manager, covering New Jersey. He will travel from the home office.

THE MIDDLE STATES.

The Philadelphia Life Insurance Company.

The Philadelphia Life in its first month as a stock company issued and paid for over two millions of business. At the request of the officers the Pennsylvania Insurance Department completed a special examination of the company on May 21, and issued a certificate to do business as a stock company. Thus the expected has happened, only very much sooner than anticipated. The Philadelphia Life is now operating as a full-fledged legal reserve stock company with \$300,000 paid-in cash capital; there has been practically no change in the company's system of doing business, or in its form of contracts, or in its policy forms or rates, with the exception of the elimination of the safety fund feature.

The company was originally incorporated as a mutual company October 4, 1905, operating under a charter granted to the Philadelphia Mutual Life, the original incorporators being Andrew J. Maloney, former vice-president of the Commonwealth Trust Company of Philadelphia, and one of the leading financiers of this city; J. B. Stetson, late of the J. B. Stetson Hat Manufacturing Company; Clarkson Clothier, formerly head of Philadelphia's large department store, of Strawbridge & Clothier;

Robert F. Whitmer, head of the firm of Wm. Whitmer & Sons, wholesale lumber; John Laughlin, contractor; T. Hewson Bradford, M. D.; Wm. T. Donaldson, president of the Mt. Farm Oil and Gas Company, and Wm. H. Hubbard, president of the Midland Metal Company.

There was subscribed by the incorporators \$100,000 to be used as a guarantee fund by the mutual company until the stock company was incorporated. The company from the start issued legal reserve policies on the American three and a half per cent basis, loaded twenty-five per cent. Each policyholder was allowed to subscribe for stock according to the amount of insurance taken in the company, and none but those taking insurance in the company could purchase stock over and above the original \$100,000 subscribed as a guarantee fund, for which would be issued \$100,000 of stock when the stock company was organized. The arrangement whereby only policyholders could become stockholders in the company soon proved so popular that an advance in the price of the stock was deemed expedient; the stock is now selling at \$22.50 per share, the number of shares to which the policyholder is entitled per thousand of insurance has also been reduced by the management, thus safeguarding still further the interests of both the stockholders and the policyholders.

While the management never for a moment doubted the success of its plans, not even the most sanguine official or director dreamed that so much would be accomplished in the brief period of less than nine months, the length of time that has elapsed since the company began business. For a company to write and pay for \$12,000,000 of business in less than nine months, and then place the business on its books at the small expense ratio which the Philadelphia Life has done is certainly a good record. This achievement is remarkable and the Philadelphia Life has made a record in the rapid building up of a new company which surpasses that of any previous effort. The company is now issuing and settling for business exceeding a half million per week.

The company is now doing business in New Jersey, Delaware, Maryland, Virginia, West Virginia, North and South Carolina and Georgia, and is about to enter Louisiana, Arkansas, Texas and Alabama.

It may be of interest to note here that in the change to a stock company the management was continued as before, the directorate remaining as follows: Andrew J. Maloney, president; William H. Hubbard; William T. Donaldson; Clarkson Clothier; Robert F. Whitmer; John Laughlin; T. Hewson Bradford, M. D.; Russell Duane of Duane, Morris, Heckscher & Roberts, one of the leading law firms of Philadelphia; Walter H. Lippincott of Bioren & Co., bankers, and George W. Norris of Edward B Smith & Co., bankers, of Philadelphia and New York. Medical Directors—T. Hewson Bradford, M. D., and Henry Laughlin, M. D.

There have been various methods used in the building up of life insurance companies and the Philadelphia Life has apparently found the most popular system, as has been demonstrated by the way the public have endorsed the proposition. In its policy contracts the company limits the expense account to the loading, whereby the policyholder holds a definite contract in which all savings in mortality and excess interest on the reserve are to be returned annually, or allowed to accumulate at the option of the insured to be withdrawn at his discretion, and in the event of death all surplus to the credit of the policy will be added to the sum insured. This practically means that a man pays for his insurance in the Philadelphia Life the loading on his premium, plus the mortality experience of the company, less the interest earned over and above three and a half per cent on the reserve. As the expenses of the company are limited to the loading on the premium, the profits to stockholders must come from the savings out of the loading on the premium, together with the savings and forfeitures on lapsed or discontinued policies.

The controlling interest of the company is vested in the policyholders, as the original incorporators can in no way control more than the original \$100,000 of stock which they subscribed. It is the company's intention to increase the capital stock to \$1,000,000, thus placing nine-tenths of the stock in the hands of the policyholders; a man buying \$1000 of insurance in the company being allowed to purchase at the same ratio of stock per thousand as a man who buys \$10,000 and at the same price per share, there being no discrimination.

When the company has disposed of this stock to its policyholders it is then in a position to go before the public as a life insurance company to sell life insurance.

New Jersey Investigation

The special committee of the State Senate, appointed to inquire into the methods of the New Jersey life companies, began its investigations on July 17, and concluded the taking of testimony on July 20. Uzal H. McCarter, president of the Fidelity Trust Company; Ernest J. Heppheimer, second vice-president of the Colonial Life; David Parks Fackler, actuary for the insurance department; President Dryden of the Pru-

dental; Frederick Frelinghuysen, president of the Mutual Benefit, and Amzi Dodd, ex-president of the same company, and A. R. Kuser were the witnesses called. The investigation revealed little that is not already well known to insurance men. The Fidelity Trust Company of Newark holds 19,993 shares of Prudential stock, or seven shares less than half the entire issue. The witness for the Colonial said that his company made no political contributions and had no legislative expenses. Mr. Dryden's testimony showed that the company had paid in dividends to policyholders \$6,500,000 on contracts, which did not stipulate any sharing of profits. The Mutual Benefit has never paid anything into campaign funds, and during the last ten years has paid but \$708 for work in connection with legislation. The Fidelity Trust Company has contributed as much as \$5000 for political purposes in certain campaigns. The investigation has been adjourned until September.

The Mutual Companies' Administration Tickets.

The managers of the international policyholders' committee have been up in arms during the past week, owing to the fact that the trustees of the Mutual Life placed four members of the committee on the administration ticket. All sorts of motives have been alleged for this action and it is announced that the gentlemen in question, Judge Gray, Gen. Tracy, Col. Shook and Mr. Higginbotham, will refuse to serve. Efforts are also to be made to have their names removed from the ticket, though counsel for the Mutual claim that the names cannot be removed, the law making no provision for changes after the ticket is filed.

Complaints are also made as to inaccuracies in the lists of policyholders filed by the Mutual at Albany, and here again the motives of the company are impugned by the so-called international policyholders' committee. The committee has had its own troubles with the corps of copyists engaged at a cheap rate to copy the lists, and an incipient strike was only averted by a promise of increased pay.

The New York Life has agreed to furnish complete lists of its policyholders to the international committee, provided the latter will defray the necessary expense.

The Mutual Reserve has filed its ticket, which includes all the present trustees of the company as follows: Frederick W. Burnham, president; Geo. D. Eldridge and Geo. Burnham, Jr., vice-presidents; Geo. W. Harper, treasurer; Charles W. Camp, secretary; Jas. M. Bowden, Richard Deeves, Elmer A. Miller, Edward M. L. Ehlers, Henry L. Lamb, Horace H. Brockway and William T. B. Milliken.

Complaints in the suits of the Mutual Life against Andrew C. Fields have been served, in which the company seeks to recover \$1,746,000, which is alleged to be the sum used for other purposes than supplies, and concealed through padded entries in the books.

Life Report of the New York Department.

Part II. of the annual report of the Insurance Department of the State of New York made its appearance on Monday, July 23, a much later date than for some years past. The volume deals with life, casualty and miscellaneous insurance. The figures showing aggregates of the business have already been fully dealt with in the columns of THE SPECTATOR. Following is a summary of the resources, liabilities and risks of all classes of companies doing an insurance business in New York State, except assessment and fraternal concerns:

Companies.	No.	Assets.	Liabilities Except Capital.	Capital.	Surplus.	Risks in Force.
Fire	164	\$424,188,080	\$215,373,490	*\$81,845,996	\$148,127,341	\$30,442,043,452
Marine	15	22,404,275	14,443,347	700,000	7,260,928	256,940,563
Life	43	2,651,316,714	2,289,030,513	11,910,500	†362,357,798	12,766,640,776
Casualty ...	42	78,546,288	37,598,978	19,710,100	21,237,210	.....
Totals	264	\$3,176,455,357	\$2,556,446,328	\$114,196,596	\$538,983,277	\$43,465,624,791

*Includes net assets or capital of foreign fire insurance companies of other countries. †Includes special funds and capital.

THE WEST.

Wisconsin Investigation.

At last Friday's hearing J. G. Albright, State manager for Wisconsin for the Union Central Life, testified that a Wisconsin Supreme Court Justice had made a proposition to submit a plan whereby the Justice could get the benefit of a rebate on his insurance policy premium, the plan to be so prepared that the company could still keep within the law. The testimony created quite a sensation and the investigating committee has directed its counsel to serve written notice upon Mr. Albright to produce before the committee on July 31 the original correspondence between his company, himself and the Supreme Court Justice concerned,

in order that it may determine upon the course to be taken in the matter.

Justice R. D. Marshall has frankly admitted that he was the author of the letters.

He declares that he had not asked for a rebate, that he had done no wrong, had intended no wrong, and defied anybody to read in any of the correspondence a request for a rebate.

His letter to the company at Cincinnati under date of October 1, 1902, is as follows:

I hold policy No. — in your company, on which there falls due, the eighteenth day of this month, the annual premium of \$671.40. I am not at present advised as to whether I will be obliged to remit to the principal office. Not knowing that you have any agent in this city, and supposing that if you have such agent, he has no claims upon you for a percentage for the collection of my premium, I suggest that you send my receipt to the First National Bank of Madison, Wis., with a draft attached for the \$671.40, and instructions to deliver the receipt upon payment of the draft on or before the due date of premium, and that in such case you permit the bank to take the usual agent's commission for the collection, with permission to pay the same to me. My policy came from an agent entirely outside of my circle of business acquaintances. I see no reason, myself, why I cannot be permitted to make the payment in the manner suggested, but if there are reasons of course you will write me suggesting where to send the money. Very truly yours.

—The Minnesota Mutual Life has entered Ohio.

—Geo. Tilles, a well-known life insurance man of Arkansas, has been nominated for Congress on the Republican ticket.

—The Anchor Life Endowment Company has changed its location from Springfield to Chicago and its name to the Preferred Life Assurance Company. This is an assessment company.

—Walker & Walker of Springfield, Ill., have resigned as managers for the Equitable. C. W. Walker will become general manager for Northern Illinois and the States of Michigan and Indiana for the Columbian National Life. J. W. Walker will be assistant manager for the same company in Northern Illinois.

—The American Mutual Life of Oklahoma has been reorganized and has elected the following officers: President, William Busby, McAlester; first vice-president, E. D. Nims, Oklahoma City; second vice-president, J. A. Stine, Alva; secretary, P. R. Morris, Oklahoma City. J. H. Johnson of Oklahoma City retired as president.

—The Peoples Life Insurance Company has been organized at Frankfort, Ind., with these officers: A. A. Laird, president; Hez Cohee, vice-president and treasurer; W. A. Stanley, secretary; Dr. M. T. McCarty, medical director; Judge J. V. Kent, counsel. The company will operate as a stipulated premium organization for the present.

—Owing to the troubles which are besetting the State Life of Indiana and the State Agency Company of Indianapolis, which has a contract to represent the State Life in Indiana and Illinois, the contract of the Agency Company has been considerably modified. Notwithstanding this, holders of over forty per cent of the stock of the Agency Company have applied for a receiver to close up the concern on a charge of mismanagement and misrepresentation. The Agency Company was required to pay \$250,000 in cash on or before December to the State Life, but the contract cuts this to \$150,000, to be paid at once. The ultimate payment of \$1,000,000 has been reduced to \$750,000 on a profit-sharing basis. The amount of insurance which must be written during the first year is reduced from \$3,000,000 to \$2,000,000 and thereafter from \$5,000,000 to \$3,000,000. No more stock is to be issued for cash or with insurance.

MISCELLANEOUS LIFE NEWS.

American Life Assurance Business in Great Britain.

[FROM OUR LONDON CORRESPONDENT.]

It would be impossible to deal adequately with the present position in a short article, not only because of the extraordinary interest in American life assurance business, which has recently been aroused, but also by reason of the fact that the subject has formed one of the most prominent topics in the public press, upon this side, for some months past.

But if a resume of what has taken place must of necessity be somewhat extended, the importance and interest which attach to the matter are more than sufficient to warrant close attention and to justify the placing on record of some of the more prominent details.

The affairs of the three giant American life offices first began to excite an unusual amount of interest in the fall of last year, although insurance men, generally, had some time earlier been prepared by the insurance press to anticipate—up till then unexpected—developments.

When the "revelations" began to appear in the press, the attitude assumed by the British public was, at first, one of apathy and incredulity. This—as has so often been the case in other matters—was followed by a short period of undue excitement and an unreasoning haste to transfer business irrespective of the consequences; followed now by a more business-like frame of mind and a desire to obtain the fullest information. In other words, the public has quite recently come round to the

opinion—largely supported by the more responsible organs of the press—that in matters of this kind it is the wisest course to “hasten slowly.”

Meantime the majority of the British life assurance companies had gone on quietly, turning to account any legitimate opportunities for increasing their own business which the unusual trend of events had presented—complaining, in some instances, that new business had suffered, rather than gained, from the unsettled state of public opinion, that in some quarters there appeared to exist an inability to distinguish between one company and another, and then, in such cases, life assurance generally was regarded as being under a cloud. And, to some extent, this undoubtedly was so. Indeed until the figures for the current year are forthcoming it will be impossible to say precisely what effect this somewhat curious combination of circumstances has had upon the new business returns of British life offices.

What, however, brought affairs to a head in an unexpected manner and for a short time led to almost unprecedented interest being shown in matters pertaining to insurance was the resignation of the general manager for Great Britain of the Mutual Life of New York—D. C. Haldeman—his taking office as joint manager (life department) of the North British and Mercantile Insurance Company; and the issue on the tenth of May last by Mr. Haldeman of an original and somewhat daring circular containing an offer unprecedented, it is said, in the annals of British life assurance. The circular was addressed “to the British policyholders of the Mutual Life of New York.”

This document stated that a plan had been formulated by the North British and Mercantile “briefly as follows”:

Each policyholder to surrender his policy in the Mutual to the North British and Mercantile and in exchange, upon payment of the same premium as provided in his Mutual policy, to receive without medical examination, and free of all expense, a policy on the same lines as his Mutual policy, but with the usual privileges and conditions relating to the North British and Mercantile policy; provided a sufficient number of policyholders assent at once to this arrangement, so as to avoid selection against the office.

Under participating policies issued since 1898, with fifteen or twenty-year distribution periods, the North British and Mercantile will provide assurance of the same amount as at present and for the same premium, with immediate participation in profits, under the following tables:

Ordinary whole life premiums during life.

Ordinary whole life premiums limited to twenty payments (if five or more still to pay).

Endowment assurances for 10, 15, 20, 25 and 30 years.

In other classes, and under all ten-year distribution policies, in order to give the full face value from the commencement, it will be necessary to defer participation in profits for an equivalent period, unless the policyholder prefers to pay a slightly increased premium carrying immediate participation.

Regarding any policies not embraced in the above, or those which have no surrender value, a fair and liberal proposal will be made.

A further paragraph in the circular reads as follows:

As no medical examination will be required, it will be seen that the offer is open to all British policyholders to exchange their Mutual policies, free of any sacrifice, for a policy in the North British and Mercantile Insurance Company.

This circular was widely distributed. It was commented upon at length by the great daily papers and many other sections of the press. It raised all sorts of questions in the minds of policyholders, and, it is to be feared, in the mind of the public at large. It produced a crop of self-constituted insurance advisers. And, what is more, it gave the “North British” a magnificent advertisement.

Meanwhile, J. H. Harrison Hogge had been appointed general manager for Great Britain of the “Mutual,” and he promptly issued a circular in reply—dated May 16—giving the latest figures available relating to his company, together with a copy of the interim report of the public accountants engaged upon an investigation of the affairs of the company.

In particular Mr. Hogge said: “Nothing could be more detrimental to your own personal interest than to lightly forego your connection with the company, and all propositions to drop or transfer your policy should be closely scrutinized by you before being accepted.”

But to return to Mr. Haldeman’s circular. An insert was sent out therewith, for signature, in the following terms:

Dear Sir:—Referring to the resolution of the British policyholders’ protection committee of the Mutual Life Insurance Company of New York, dated eighth of May, I desire to exchange without medical examination and free of expense, my policy for £..... in the Mutual Life Insurance Company of New York, for a with-profit policy on my life in your company for £..... at the same premium as I am at present paying. I send you herewith, under registered cover, my policy No. in the Mutual for your inspection.

I am, etc.

There can be no doubt that the “North British” received a very large number of inquiries, and, presumably, a large number of policies “for inspection,” and a personal visit to that office, about this time, disclosed great activity. But whether the amount of business actually transferred has been equal to the expectations of the originators of the

scheme is a matter which is not likely to be made public—at present at all events.

At first, it would seem, the public formed the idea that any “Mutual” policy, notwithstanding its age, duration or class could be exchanged for a “North British” policy giving precisely similar benefits, bonuses, etc. A careful reading of the circular and subsequent inquiries proved, however, that this was not exactly the case.

On the seventeenth of May The Times wrote:

The offer of the North British Company is being freely accepted by policyholders in the American company * * * * but the offer as a business proposition applies forcibly only to the newer policyholders who have come in since 1898 (£9,000,000 out of £15,000,000). Older policyholders may generally be advised not to transfer in a hurry, and the older the policy the greater the possible loss which may be suffered through a transfer. It should be understood that the North British Company does not desire to detach the older policyholders nor to detach any one where the circumstances show that he would probably suffer loss through transferring.

This issue of The Times contained a letter from Sir Henry C. Burdett (late secretary of the share and loan department of the London Stock Exchange), in which he asked the following pertinent questions relating to Mr. Haldeman’s scheme:

1. If a Mutual policyholder of a tontine policy, who is taken over under his scheme by an English office, will be guaranteed an equivalent for all the accrued interest and bonuses which may ultimately revert to him should he continue a policyholder of the Mutual?

2. Will the English office guarantee the same surrender value as that guaranteed under the Mutual policies at the end of the period?

3. Is it the intention of the English company to hold the Mutual policies which may be handed to it and so reap the advantages which may accrue when each policy participates or falls due? If so, are the benefits accruing to go in their entirety to the present policyholders, or who will reap these benefits, and in what proportion, and to what extent?

Replying to these interrogatories The Times said:

Sir Henry Burdett’s first question may be answered in the negative. Policyholders who transfer, rank for profits in the North British Company from the date of transfer and sacrifice such tontine profits as may have accrued under Mutual of New York policies. Policies which have been several years in force may, therefore, lose more than they would gain by the transfer.

As regards the second question, the policies issued to transferees are North British policies, subject to the conditions and surrender values of that company.

To question three the answer is also in the negative. It is not the intention of the North British Company to retain any Mutual policies in force. The policies will be surrendered by their present holders when the next premium falls due; the surrender values will then be paid over to the North British Company and the new contracts issued. The whole process will be individual, not collective. The suggestion that the North British Company intends itself to continue the Mutual of New York policies is, we are officially informed, entirely without foundation.

On the twelfth of June an adjourned meeting of the Birmingham and District policyholders in the “Mutual” representing policies to the amount of about £60,000 was held, and had before it the report of a committee—appointed at a previous meeting—giving the result of inquiries made from twelve British companies as to the terms they could offer to policyholders in the event of their deciding to transfer.

The amount in sums assured—represented by the meeting—does not, comparatively speaking, strike one as large, but the committee appear to have set about their appointed task in a thorough manner.

They reported that the replies received generally gave no hope of terms equal to those derived from the Mutual being obtained. Profits, it was said, would only be earned from the date of transfer, although where the Mutual policy was handed over the cash surrender value would carry a reduction in the premium. In all but two companies, further medical examination was insisted upon, and it was clear to the committee that the Mutual Company and the company taking over the business would alone benefit by transfer at the expense of the policyholders.

As a result, those present at the meeting resolved—with one dissentient—to retain their policies in the Mutual and to exert their utmost influence to restore public confidence in the company.

On the other hand there can be no doubt that a large number of policyholders have gone over to the North British and other companies.

CHARTERS.

Canadian Investigation.

The Mutual Life of Canada was examined on July 12, and the information elicited that the president got about \$8500 last year, and the vice-president and directors got \$13,600. The company publishes notice of its annual meetings, but only about fifty policyholders attend. Mr. Wegenast, the manager, receives a salary of \$6000 a year and allowances. The superintendent of agencies receives \$4500. The company’s ratio of expense to premium income was 17.8 per cent in 1905.

The Federal Life of Hamilton was next examined. In 1900 the stock of the company was increased from \$700,000 to \$1,000,000, although the witness, David Dexter, managing director, said this was not necessary. The public, he said, seemed to prefer a company with a large capital stock. There had been an impairment of \$40,000 and the directors advanced \$24,000 and this appeared as an asset on the books. The Department asked for an explanation and the amount was paid back by bonus to the president from expense account. Witness said the company had been paying policyholders over 100 per cent more in profits than they were entitled to, and that the shareholders were patient and long-suffering. Policyholders have no right to vote, but witness thought it advisable that they be allowed to do so.

The Commercial Travelers Mutual Benefit Society and the Catholic Mutual Benefit Society underwent brief examinations. The commission was to meet again at Winnipeg on July 17.

Problems and Studies—The Accountancy of Investment.

Charles Ezra Sprague, author of the "Accountancy of Investment," has prepared a companion work to that volume under the title "Problems and Studies in the Accountancy of Investment." It presents a supply of practical problems with their solutions so that the student of the text-book can test his progress and ascertain his ability to pass an examination. Special methods are explained, and other branches of the subject are taken up so as to make the work of great practical use. The book is divided into seventeen sections as follows: Simple interest; compound interest; use of logarithms; annuities; bond tables as annuity tables; nominal and effective rates; valuation of bonds; broker, initial and short terminal; discounting, serial bonds; option of redemption; half-yearly income on quarterly bonds; bonds with annual interest; bonds at two successive rates; repayment and reinvestment and installation of amortisation accounts.

"Problems and Studies in the Accountancy of Investment" sells at \$1.50 per copy, and orders for the same, addressed to The Spectator Company, 135 William street, New York, will be promptly filled. The "Accountancy of Investment," price, \$2 per copy, can also be supplied by the same firm.

VARIOUS ITEMS.

—The Philadelphia Life has been licensed in Georgia.

—The Sun Life of Canada has combined its Virginia and North Carolina territory under one general agency managed by H. D. Sills at Richmond.

—Frank A. Wesley, assistant director of agents of the Columbian National Life, has been appointed manager of the Eastern department in addition to the New England field.

—The German Mutual Life of St. Louis, which has heretofore confined its operations to that city, has branched out, appointing H. H. Echols general agent for several counties in Northwestern Missouri.

—The July number of The Journal of the Institute of Actuaries contains papers as follows: "On a form of spurious selection which may arise when mortality tables are amalgamated," by W. Palin Elderton, F. I. A., and "Some aspects of registration of title to land," by James Robert Hart, F. I. A. The returns of the life companies of the United Kingdom for 1904-5 are also given, as well as a number of actuarial notes. This part can be furnished at \$1 per copy by The Spectator Company, 135 William street, New York, sole selling agents.

INDUSTRIAL INSURANCE

Returns Greater than Payments.

The tirade of Magistrate Crane of New York against the industrial companies for continuing to take premiums after the insured had been a policyholder long enough to have paid in the face of the policy, is still fresh in the public mind. Of course, the magistrate made quite a hit when he accused the companies of extortionate practices, but in so doing he showed a deplorable lack of what is accepted as common knowledge of the insurance principle. The other side of the industrial insurance proposition is shown by the following, taken from the Prudential records:

On May 1, the Prudential paid 385 claims for \$37,913. The premiums paid in connection with the policies amounted to \$16,986, so that the policyholders received \$20,926 more than they had paid in premiums. Only twenty-two policyholders paid in more money than they received. On May 21, 362 industrial claims for \$38,356 were paid, the total premiums aggregating \$16,504. The policyholders therefore received \$21,851 more than the sum paid in premiums. Twenty-one persons paid in more than the amount of their claims. On May 22, 366 industrial claims for \$41,286 were paid, on which the total premiums amounted to \$19,556, returning to the policyholders \$21,729 over premiums. Only twenty-five persons paid in more than the amount of their claims.

Industrial Notes.

—J. E. Parker and W. J. Miller, agents of the Metropolitan in Philadelphia, have been advanced to the rank of assistants.

—Dan G. Pleasants, formerly with the Metropolitan as assistant in the San Francisco district, is now director of agencies of the Florida Life of Jacksonville.

—Buckner of Savannah is now leading the forces of the Life Insurance Company of Virginia, followed by Wadsworth of Columbus; Finley of Spartanburg, and Harrison of Atlanta.

—The leading ordinary agent of the Colonial for the year is F. E. J. Chrystie of Jersey City, followed by J. Booth of Newark. B. Heksch of New Brunswick leads the industrial agents.

—In recognition and appreciation of his long, faithful and efficient service in the field, the Prudential has appointed Peter Egenolf, superintendent of New York 8, special supervisor.

—Assistant T. A. Sheers of New York has the honor of being in the lead of the Colonial assistants for industrial increase for 1906. The leading ordinary assistant is H. Whyman of Elizabeth.

—Buffalo was the leading district of the John Hancock for the first six months of this year. Long Island City, St. Louis 1, Newark and Staten Island are also high in the list of producers.

—The Grand Rapids staff of the Prudential under Superintendent Squires is anxious to show what it can do and wants a contest with any district in the entire field, to last during the summer months, the basis to be proportionate joint increase.

—The Colonial reports as its most recent changes the following: Appointments to Assistancies—W. A. Wilkinson, Pottstown; W. H. Fielding, Williamsburgh; P. J. Curran, Philadelphia; M. R. O'Donovan, Trenton; Joseph Melillo, Bronx; W. W. Myers, Easton; W. E. Wright, Philadelphia; J. H. Taylor, Germantown; W. W. Mabie, Harlem; W. S. Lawrence, Harlem; R. L. Ames, Germantown; H. G. Leonard, Manayunk, and E. H. Eggers, Morristown.

—The Life Insurance Company of Virginia announces the following changes and promotions: W. H. Hawkins, appointed agent in charge of Marietta, Ga. Agent E. T. Hornung, New Orleans 3, succeeds Assistant Prinz in that district. L. G. Wagner, assistant at Shreveport, La., appointed assistant in charge of Lake Charles, La. Agent H. L. McCary of Shreveport, appointed assistant in that district, succeeding L. G. Wagner, transferred to Lake Charles.

—Changes reported in the Metropolitan staff: Agent L. R. Stoner of the Hyde Park-St. Louis district, promoted to an assistant at Springfield, Mo. Assistant W. W. Walters of the Hyde Park-St. Louis district has resigned to engage in business on his own account. Henry Genger of the Hoboken (N. J.) district promoted to the superintendency at Saginaw, Mich. Before leaving his old district he was presented with several handsome tokens of esteem by his staff. Superintendent D. E. Hamilton of Bradford, Pa., transferred as superintendent to Mansfield, Ohio, succeeding H. S. Kautz.

—The well known white banner contest of the Colonial, based on industrial increase per capita, closed at the mid-year with a sweeping victory for Allentown, under the leadership of Manager F. G. Drescher. Second honors went to Paterson, Manager P. J. Lee, and Harrisburg captured third place, under the administration of John McCance. The new contest has opened with redoubled interest and at this time the leading district is Trenton, under Manager L. P. Welsh, who is also the industrial leader for managerial districts for the first six months of the year and the leading ordinary manager.

—Superintendent Litz of the Joplin (Missouri) district of the Prudential held a staff meeting last month, at which all his Joplin staff and his detached assistants were present. For some time the Joplin district has been largely represented in the company's lists of heavy producers. Two assistant field leaders were at the meeting as well as six agents whose names appear on the honor rolls of the company. The district itself is listed at number five in industrial proportionate. Several challenges were offered and quickly accepted between agents and assistants, and indications point to a highly successful year for Superintendent Litz and the Joplin district.

—The John Hancock reports the following promotions and transfers. Agents advanced to assistancies: Collison F. Waddell, Chicago 3; George J. Norton, Chicago 3; Evariste A. Rossy, East St. Louis; Joseph B. Jameson, Chicago 2; Sol Chapsky, Chicago 2; Martin Campbell, Springfield; Joseph M. Murphy, Brooklyn 5; David J. Cohn, St. Louis 1; William E. Cleveland, Lynn. Anton Rottmueller has been promoted from agent at Chicago 2, to assistant at East St. Louis; Elmer J. Rice, from agent at

Philadelphia 3, to assistant at Germantown; William J. Judge, from agent at Albany to assistant at North Adams, and Joseph C. Sullivan, from agent at Philadelphia 1, to assistant at Philadelphia 4.

The Prudential's superintendency leaders in industrial increase are: G. J. Wink, Z. T. Miller, W. H. Joyce, L. F. Miller. The assistancy leaders are: S. P. Miller, Joplin; P. M. Russell, New Albany; B. R. Cosby, Joplin; M. Mayer, Long Island; C. P. Wurster, Charleston. The superintendents who have been most successful in placing ordinary business are: Z. T. Miller, New York 8; W. H. Joyce, Buffalo 1; M. J. Leonard, New Haven; D. Reinhartz, West Hoboken; J. T. McKenna, New York 3, and the leading assistant in this department, E. C. Foppert, West Hoboken; H. Robinson, Germantown; M. Phillips, New Haven; G. Schillmoller, Hamilton; H. B. Sellers, Zanesville.

FIRE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

The latest development is the stringency of the new ideas about the solvency and strength of fire insurance companies acceptable as collateral by real estate, title and trust companies as security for mortgages. In several instances policies have been rejected because of the doubts of the mortgagees. One of the trust companies sent notices to all its mortgage debtors that certain named companies' policies must be immediately replaced or the changes will be made at the debtors' expense. Several brokerage firms have been much incensed by this notice, but what's the use—they are helpless.

The death of a broker in Orange, N. J., has uncovered a small scandal in his affairs in connection with his business in this city, which was carried on by a corporation owned by the deceased and one other under a firm name. Some time ago, in anticipation of the broker's death, his wife and present widow made an effort to sell out his share of the business to his partner, but the latter refused the terms. The family then sent out a circular to the customers of the corporation or firm that, in the interest of the partner, then upon his dying bed, an arrangement had been made with a new firm to take care of the renewals and new business for her benefit. The circular stated that the business slogan, "broker for the assured," was the invention of the dying man, and was a valuable asset, which would be beneficial to his estate. The other partner immediately retorted that the interest of the first partner was amply protected by the corporation, and that he would faithfully care for it the same as usual. He entered a warm protest against any insinuation to the contrary, and against any attempt to transfer the business to the new firm.

The fifth loss on cotton at the American Dock Stores, on Staten Island, provoked a fresh outburst of surprise that any insurance was left after the four previous fires. But it turns out one of the city leaders and an agency were tempted by high rates on store No. 16, and probably, after the other fires, thought "the shower was over." About every office in town had the laugh upon the victims of the fifth fire, but they began the reform within by refusing cotton lines at other stores.

The vacancies in the committee on losses and adjustments in the Board organization were filled on the 18th by the election of two of the old members who were previously transferred to other committees. The newly-elected members are Benoni Lockwood and Samuel R. Weed.

It is reported that there is some doubt whether the last two sessions of the Board have been attended by a legal quorum. Nobody found any fault, but the president of a city company made gentle criticism upon the failure, even when a call for a meeting was marked "important." He gave notice, as soon as a legal quorum was present, he should propose to restore the former custom of paying every member present at roll call one dollar. The Exchange reverses this rule—instead of rewarding prompt attendance with a dollar, it fines the members not present one dollar for non-attendance.

One of the loss claims in San Francisco has been assigned to a merchant in this city as collateral security. The claim is against the Williamsburgh City, and is resisted on the earthquake clause in the

company's policy. It is likely demand will be made here, and if not paid, suit will be started in the local courts. This will give our judges a taste of insurance law quite novel in their experience.

The death of Judge Cardozo is very much regretted by a host of underwriters, who were accustomed to lean upon his opinions in knotty cases. He had a valuable clientele among the companies, and gained great renown for winning some very hard cases for the underwriters.

The Continental of New York has declared a semi-annual dividend of twenty-two and one-half per cent.

The numerous cotton fires which have occurred recently, notably those which occurred on Staten Island, have sent rates on cotton soaring. Before the heavy losses occurred, twenty per cent was being asked by some companies, but now thirty per cent is asked, and little protection is obtainable even at that.

Rufus Sherwood Case, an insurance broker, with an office at 76 William street, shot and killed himself on July 17. He was quarter-master-sergeant in the first battalion of the naval militia, and the shooting occurred on board the old United States frigate "New Hampshire." The deceased had suffered for a long time with acute gastritis, and this is the only reason known for his act.

The Westchester Fire has declared the usual semi-annual dividend of fifteen per cent.

CHICAGO AND THE WEST.

An appeal to support the proposition to install by special assessment a high-pressure water system for fire protection in the downtown district of Chicago has just been made in the form of a circular letter sent out by various organizations of business men, including the Building Managers Association, Board of Underwriters, Chicago Commercial Association, Credit Men's Association, the Real Estate Board, and the City Club. The committee in charge of the agitation contemplates the installation of a high-pressure system in the territory bounded by the lake, the river, Harrison street, and both sides of Wabash avenue to Fourteenth street. The maximum pressure will be 200 pounds. Upon completion of the system the Board of Fire Underwriters has promised a reduction of five per cent in premium rates.

The reduction of expenses in the excepted cities proposed by the Large Cities Association is being opposed vigorously by Chicago agents, this city being the first in which the necessary ninety per cent of co-operation is being solicited. Officials of the company declare that nearly fifty companies now are pledged to the plan, and that additional support is being received steadily; but the agents insist that they have assurances of enough opposition already to kill the plan at the proper time.

At the quarterly meeting of the Chicago Board of Underwriters, I. S. Blackwelder, Charles Nelson Bishop and J. M. Naghten were elected to the executive committee. The reduced rates on superior sprinklered risks were extended to embrace practically all plants situated outside the downtown district except those with open stocks, and a number of woodworkers technically outside the restrictions were allowed the benefit of the new rates. The new Union rates on cyclone and tornado insurance were adopted.

Adolph Loeb & Sons have been appointed managers in Cook county for the Union of Philadelphia, which was formerly located in their office; the transfer being made from the agency of George S. Haskell & Co. by Vice-President Amonson of the Union. The change was made in order that the company might take over the large business in Cook county of the Transatlantic, which has quit writing, the record of the Union in the Haskell agency having been quite satisfactory.

NOTES FROM PHILADELPHIA.

A special meeting of the stockholders of the Insurance Company of the State of Pennsylvania will be held on August 6, for the purpose of voting upon a proposed increase of the capital stock to \$450,000.

The Jefferson Fire is about to enter Rhode Island and Connecticut. The Philadelphia Suburban Underwriters Association has modified

the rule requiring an extra rate to be charged for night work in manufacturing risks, in so far as it relates to Class "A" and "B" towns, by the promulgation of the following supplement to Pennsylvania and New Jersey rules:

Permission may be given without charge for occasional night work in any manufacturing building not to exceed ten nights in any one policy year.

Another concession is made in the protection clause, which now reads as follows:

In consideration of the reduced rate at which this policy is written, it is expressly stipulated, and made a condition of this contract, that at the time when this policy is issued, the property is located not over 600 feet from a public fire hydrant, otherwise this policy is void.

BOSTON AND VICINITY.

The New England Insurance Exchange has formally approved an increase of twenty-five per cent on all risks throughout its jurisdiction that have proved unprofitable in the past. But this action does not affect those risks already advanced by the application of the twenty-per cent increase in the conflagration areas.

The executive committee of the Exchange recommends the following rule for the subrogation waiver clause:

Whenever the owner of property insured has, under lease or contract, surrendered the right of action against a railroad company for damage done by it to said property, and the policies of insurance on same contain a railway subrogation waiver clause, there shall be an additional charge of not less than ten per cent of the published rates.

R. S. Hoffman & Co. have been appointed Boston agents for the Metropolitan district of the Cosmopolitan Fire of New York.

THE MIDDLE STATES.

—The Old Colony of Boston has been admitted to New York State.

—Dividends declared: Ben Franklin, Allegheny, 8 per cent semi-annual; Monongahela, Pittsburg, \$1.50 per share; Union, Pittsburg, 3½ per cent.

—Capitalists in Philadelphia and Paterson, N. J., are reported as being interested in the formation of a new fire company to be incorporated under the laws of New Jersey, with a capital stock and surplus amounting to \$2,000,000. The home office will be in Paterson.

THE WEST.

—The Minnesota Insurance Department has applied for a receiver for the German Mutual Dwelling House.

—De Roode, Faulkner & Ettelson have been appointed sole agents for Chicago of the Fidelity Fire of New York.

—E. E. Pearson of Pipestone, Minn., has been appointed special agent of the Hartford Fire for South Dakota and Southern Minnesota.

—It is understood that J. N. Lucas, formerly of Chicago, is now connected with the new Home Fire Insurance Company of Phoenix, Ariz.

—A. H. Dinning, now with the Delaware of Philadelphia, has been appointed special agent of the Union of Philadelphia for Ohio, Kentucky and Michigan.

—The Minnesota and North Dakota Fire Underwriters has elected the following-named officers for the ensuing year: Robert L. Bruen, president; John F. Stafford, vice-president; A. I. Fisher, secretary, and H. R. Ensign, treasurer.

—James R. Wilson, formerly of Chicago, who had previously been connected with or had represented the Commercial of Wilmington, Del., the Commonwealth Savings and Insurance Company of Richmond, Va.; the American Trust and Insurance Company of Chicago, the Lincoln Insurance and Banking Company of Indiana, and other concerns, is now stated to be special agent for the Commercial Fire of Little Rock, Ark.

THE SOUTH.

—The Fidelity Fire of New York has entered Maryland.

—The Insurance Company of the State of Pennsylvania has been admitted to Kentucky.

—The Georgia Union Life Insurance Company has been chartered as an assessment company.

—The German Fire and the German-American Fire of Baltimore have declared semi-annual dividends of three per cent.

—The Guardian Fire of Pittsburg has entered Maryland and appointed Harry L. Riall its general agent for that State. The latter has resigned his Baltimore

agency for the Dubuque Fire and Marine, and Maury & Donnelly have been appointed in his place.

—The North Carolina Field Club has elected the following-named officers: Jordan S. Thomas, president; Robert G. Hayes, secretary.

—The Southern Underwriters of Greensboro, N. C., will enter West Virginia about August 1, and will appoint C. D. M. Showalter of Roanoke, Va., its special agent.

—The Tennessee Field Club has elected the following-named officers for the ensuing year: H. B. Hart, president; C. F. Frizzell, vice-president; Verner Kline, treasurer, and W. A. Stone, secretary.

—C. C. Wright of Little Rock, Ark., special agent of the British America and the Western of Toronto, has resigned to become associated with James S. Hereford of Dallas, Tex., special agent of the Royal.

—Albert C. Sexton, formerly chief clerk in the office of the Alabama Secretary of State, has been appointed Deputy Insurance Commissioner of Alabama, to succeed Harry R. Shorter, who resigned a few weeks ago.

—The Governor of Louisiana has signed the bill enlarging the powers of the Fire Marshal and requiring insurance companies to pay two-fifths, instead of one-fifth, of one per cent for support of Fire Marshal's office.

MISCELLANEOUS FIRE NEWS.

Opinions as to Unearned Premium vs. Loss Claims.

At the request of Superintendent Kelsey of the New York Insurance Department, the Attorney-General has rendered an opinion concerning the treatment of the reinsurance reserve or unearned premium of a fire insurance company in case of insolvency, for the guidance of the Department. The opinion is by Deputy Attorney-General James C. Graham and is in part as follows:

In reference to the first question suggested in your letter, would say, that after the company has been placed in the hands of a receiver, all its creditors stand on the same basis, and that neither claims on account of fire losses nor those of policyholders who had not sustained loss, would have a preference as against the assets of the company, but that the same would be distributed ratably to all creditors. Of course, if a loss claimant had acquired a lien on the specific property of the company by legal proceedings, that would still remain.

In reference to the second inquiry, would say that while during solvency a company may lawfully use its unearned premium fund for reinsurance of its outstanding risks, yet, after it has become insolvent by reason of its fire losses exceeding its capital and surplus, or any other reasons, it is not to be permitted to appropriate this portion of its assets to secure protection for a portion of its creditors to the injury of its other creditors who have claims against it on account of fire losses.

Therefore, I am of the opinion that after the company has become liable to claimants by reason of fire losses to any amount in excess of its capital and surplus, it would not be justified in using its entire unearned premium fund in reinsuring its outstanding risks.

Chas. H. Hamill, attorney for the Illinois Department, in a recent opinion, holds that the assets of an insolvent insurance company must be distributed equally among all creditors, without priority, in the absence of any special statute to the contrary. The Department is advised to inform inquirers that the assets will probably be distributed pro rata with preference either to loss claimants or premium claimants, but that the company is under the jurisdiction of the Circuit Court in Chicago which will decide the question.

Why Fire Premiums Must be Raised.

Pacific Coast Manager Watt of the Royal Insurance Company, in a letter to his agents, thus explains the reasons for the advance in rates:

But for the accumulation of large reserves against disasters, concerning which there has been much public criticism, few of the companies now able to continue in business and to offer protection to merchants and manufacturers could have survived. It is of the utmost importance to the commercial world that these reserves should be restored, and they can only be restored by contributions from the many in the way of advanced rates. If rate payers generally are long-headed they will, for their own protection, be glad to contribute at least for a year or two to the rebuilding of insurance reserves, which are so necessary to the conservation of the business interests of the country. The stability of the commercial supremacy of the United States is more largely dependent upon the security offered by fire insurance than most people conceive; hence it is of the greatest importance that this security should be above criticism or question.

Advanced rates are absolutely necessary—not for the profit of the companies, but for the safety of the insured. At the earliest possible date, when the San Francisco losses have been adjusted and paid and normal conditions have returned, all of the cities and towns will be rerated upon revised schedules, taking into account the particular conditions existing at each point. Rate advances are being agreed to throughout the whole country.

—The Boston Manufacturers Mutual Fire reports fourteen fires in June in sprinklered risks, for seven of which no claim was made, the losses in the other seven ranging from \$11 to \$795.

Fire Business of British Companies in 1905.

Compiled from "The Policyholder" of Manchester, Eng.

NAME OF COMPANY.	PREMIUMS.		Losses.	Expenses and Com-missions.	Surplus on Trading Account.	Other Receipts.	Other Outgo.	RESERVE FUNDS.		Capital Paid Up.	RATIOS.		
	1904.	1905.						1904.	1905.		Losses.	Ex-penses.	Com-bined.
	£	£	£	£	£	£	£	£	£	£	%	%	%
Alliance	936,697	923,854	397,670	319,584	206,600	284,634	260,812	2,482,251	2,722,672	812,855	43.0	34.6	77.6
Atlas	831,424	983,558	1586,305	360,178	37,075	40,505	56,297	856,280	877,564	264,000	59.6	36.6	96.2
Caledonian	419,239	434,860	206,876	155,516	72,438	20,328	30,784	521,195	583,177	107,500	47.5	35.7	83.3
Central	101,247	153,745	75,263	62,797	15,680	2,443	3,519	57,734	52,336	87,515	48.9	40.8	89.7
Commercial Union	1,967,712	2,074,790	937,920	750,196	386,674	119,943	251,316	2,297,304	2,552,605	250,000	45.2	36.1	81.3
County	308,601	312,107	112,423	108,284	91,400	27,801	75,183	526,130	570,147	251,520	36.0	34.7	70.7
Fine Art and General	85,129	91,841	39,677	29,803	22,361	3,954	5,495	82,553	103,373	37,000	43.2	32.4	75.6
Law Union and Crown	221,744	213,578	81,241	73,514	58,823	28,042	64,780	355,401	377,486	373,360	38.0	34.4	72.4
Leather Trades	12,256	29,223	16,044	8,797	4,382	1,834	754	8,075	13,537	15,912	54.9	30.1	85.0
Liverpool and London and Globe	2,189,835	2,199,100	1,066,852	738,541	393,707	181,789	268,221	3,037,997	3,345,272	245,640	48.5	33.6	82.1
London	554,294	561,603	246,127	205,800	109,676	120,010	107,587	1,306,218	1,428,317	448,275	43.8	36.6	80.4
London and Lancashire	1,319,869	1,319,776	562,030	459,543	298,203	105,218	102,800	1,797,114	1,997,735	227,500	42.6	34.7	77.3
National of Great Britain	25,069	29,259	9,019	10,902	9,338	2,397	5,987	27,107	32,854	45,000	30.8	35.2	65.0
North British and Mercantile	1,938,336	1,940,195	970,998	644,744	324,463	141,745	222,450	2,812,257	13,056,016	687,500	50.0	33.2	83.2
Northern	1,095,252	1,112,592	533,918	391,781	186,893	85,278	152,121	1,701,598	1,821,646	300,000	48.0	35.2	83.2
Norwich Union	1,178,073	1,169,568	575,289	406,996	187,283	38,261	59,076	1,216,630	1,383,098	132,000	49.1	34.8	83.9
Phoenix	1,448,571	1,423,987	690,721	489,901	243,365	53,471	121,165	1,431,399	1,607,070	132,000	48.5	31.4	82.9
Royal	2,995,666	3,054,215	1,376,834	1,075,792	601,589	133,488	276,258	3,730,455	4,195,274	391,887	45.1	35.2	80.3
Royal Exchange	694,246	634,510	356,297	259,595	18,618	127,526	116,461	993,882	1,023,564	689,220	50.1	40.9	97.0
Scottish Union and National	597,260	590,676	308,345	202,680	79,651	39,554	52,565	683,479	750,119	300,000	52.2	34.3	86.5
State	150,916	148,660	76,716	53,587	18,357	4,644	5,563	89,492	106,931	70,000	51.6	36.0	87.6
Sun	1,306,180	1,319,330	605,390	465,023	248,917	91,080	125,395	2,284,547	2,502,179	120,000	45.8	35.3	81.1
Yorkshire	198,013	228,267	115,307	82,490	30,470	12,244	56,393	393,517	349,926	55,646	50.5	36.1	86.6

‡ Including £132,230 for liquidation of Manchester liabilities.

† Includes special reserve of £250,000 for San Francisco conflagration.

VARIOUS ITEMS.

—The Transatlantic Fire of Hamburg has discontinued business in the United States.

—Sir Henry Montagu Hozier has resigned as secretary of Lloyds, London, a position which he had held for thirty-two years.

—The agents of the Home Fire and Marine of San Francisco have received formal notice from the Eastern managers to stop writing business.

—Attempts to insure the new White House in San Francisco have been unsuccessful. Rates along the avenues range from five to ten per cent.

—The Queen of New York will in future accept only net lines, having discontinued the practice of taking heavy accommodation lines from its agents and placing in other companies all amounts in excess of its net line.

—The underwriters' committee of fifteen at San Francisco has disposed of 1236 cases in which six or more companies are concerned. Of these, 360 had been adjusted and reported back by sub-committees to whom they were assigned. The committee hopes to clear up all losses before the end of November.

—The Canadian Manufacturers Association of Toronto is working to obtain charters for two mutual fire insurance companies. The new companies will be known as the Industrial Mutual Fire Insurance Company and the Eastern Manufacturers Mutual Fire Insurance Company, with offices in Toronto and Montreal, and will be organized at an early date.

—Wholesale merchants with stocks in the frame warehouses in San Francisco are having considerable difficulty getting insurance. The rate made by the Pacific Coast Underwriters Union is 7½ per cent on these stocks, and the companies have advanced this 2½ per cent, but are writing only a portion of the insurance asked for.

—A large American company has denied liability for any property destroyed in the San Francisco conflagration as a result of back-firing by the authorities, and a prominent English company is about to sue the city and county of San Francisco for all the money paid to individual policyholders whose buildings were destroyed by dynamite or back-firing by authorities.

—The Committee of Fire Prevention of the National Board of Fire Underwriters has made a report on the fire protection and water supply obtaining in Auburn and Newburgh, N. Y.; Portsmouth and Rochester, N. H., and Skowhegan, Maine. Additional fire-fighting apparatus, more adequate water mains, systematic inspection and care of fire-service hydrants, and a larger force of paid firemen, are among the principal recommendations of the committee.

—A prominent Philadelphia broker recently addressed a communication to Arthur G. Nason & Co. of San Francisco, requesting that firm to advise him as to the reason of their having discontinued the California representation of the Eagle Fire Company of New York, and if the cause had anything to do with that company's method of adjusting losses. In reply, Nason & Co. assured the inquirer that they did not resign the agency of the Eagle, but that the company decided to discontinue business in California and cancel its outstanding liabilities.

The severance of relations is regretted by that firm, and the latter state that the patrons of the company will receive just and equitable treatment in the adjustment and payment of losses.

—The Holmes Mercantile Agency of 132 Nassau street, New York, which has now been in operation for fifteen years, makes a specialty of furnishing reports to life, accident and fire insurance companies. It has built up a successful business along this line, requiring no subscription fee or contract, but obtaining and supplying reports as desired, at \$1 each. Chas. B. Holmes, the proprietor, employs a large number of trained inspectors, and guarantees satisfactory reports.

—The August Century will contain among numerous other articles: "The Catching of the Cod," William J. Henderson; "When Capital Took Holt," Caroline Lockhart; "French Cathedrals," Elizabeth Robins Pennell; "Running Water," A. E. W. Mason; "Seeing France with Uncle John," Anne Warner; "Vesuvius in Fury," William P. Andrews; "Heroic San Francisco," Louise Herrick Wall; "Gilbert Stuart's Portraits of Men," John Trumbull, Charles Henry Hart; "Sketch Plans for Outing Cottages," Michael Stillman, Thomas Tryon and Joseph Henry Freedlander; "Cole's Engravings of Old Spanish Masters," "The Future of San Francisco," Benjamin Ide Wheeler.

—The National Burglary and Fire Office of London has decided to make some radical changes in its method of doing business. The management has pointed out the fact that a large number of fire, life and accident offices now write burglary lines. The National makes a specialty of combined burglary and fire insurance for private residences, but remains otherwise a purely burglary company, and it has of late experienced considerable difficulty owing to the fact that agents are continually pressed to send their burglary business to the companies they represent for other lines. The company, to save its burglary business, has therefore decided to enter the general fire insurance business.

Acknowledgments.

—The fifty-first annual report of the Insurance Commissioner of Massachusetts, part I., fire and marine volume, as of January, 1906, is at hand.

—The thirty-fifth annual report of the Insurance Commissioner of Maryland for the year ending December 31, 1905.

—The thirty-seventh report of the Superintendent of the Missouri Insurance Department for the year ending December 31, 1905.

—Part III. of the forty-first annual report of the Insurance Commissioner of Connecticut for 1905, dealing with fraternal societies.

—The annual report of the New Jersey Commissioner of Banking and Insurance, covering the 1905 business of all fire and fire marine companies operating in that State.

—The thirty-seventh annual report of the Auditor of State of Iowa, showing the transactions of all insurance companies, other than life, for the year ending December 31, 1905.

—The annual report of the Insurance Commissioner of Tennessee, giving the detailed statements of all fire and fire marine companies admitted to that State as of December 31, 1905.

—The annual report of the Commissioner of Insurance of Wisconsin, covering the 1905 detailed transactions of all fire and marine insurance companies operating in that State, has been issued.

—The thirty-eighth annual report of the Insurance Commissioner of the State of Maine, giving the detailed 1905 statements of all fire, fire marine, marine, life and miscellaneous insurance companies operating in that State.

Casualty, Surety and Miscellaneous

Liability and Casualty Notations.

Much comment has been brought to bear as to the direct benefit in the new features covered by the *Etna Life* in their new contract, in which it is expressly stipulated, that in addition to the limits specified therein, that the company will pay all expenses of litigation. The ordinary solicitor contends that the policy contract always provided for this expense (between the lines) although the contract did not specifically state that the expense in connection with litigation would be paid. It might not be inadvisable to refer the unacquainted to the case of *John Cornell versus The Travelers Insurance Company*, suit having been brought by the assured for the reimbursement of such expense as he was necessarily put to in the defense of eleven damage suits brought by persons injured through the collapse of a building, he being the contractor. The expenses in connection with said suits covering several years of litigation, amounted to something like twelve thousand dollars. The Travelers contended that they were not liable under the conditions of its policy for the costs of suits, unless their assured were held liable for the injuries. The case rested upon the construction, that the policy indemnified against liability of the assured "to persons who may sustain bodily injuries under circumstances which shall impose upon the assured a common law or statutory liability to such persons," and the Court of Appeals sustained the Travelers contention on the ground that since the injured persons had failed to show that the assured was liable for their injuries, the company was not responsible under the policy, for the reason that under the above clause the insurance company is liable for the expense of defending suits only when the assured's liability has been established as the result of a suit against him.

Taking the new Slater act into consideration, any employer of labor is liable to have an action brought against him, and assuming that element of chance, may be called upon at any time to pay large sums on account of injuries sustained by a workman through any cause. A minor or serious accident causing injury to an employee or any other person may involve the employer in an expensive law suit. Inasmuch as the employer is now held responsible for accidents caused by the negligence of his agents, the number of suits are greater to-day than prior to this enactment. The law holds that the employee assumes only such risks incident to his employment which are open and noticeable; that the workman is not supposed to discover hidden defects or dangers; that the employee may recover even though he knew of the defect and did not know of the danger in connection therewith; that the employer is now held liable for injuries caused through incompetent fellow employees if it can be established that the employer did not use due diligence in the selection of such an employee, and could have by reasonable care discovered the incompetency of such a workman. It is a well-established fact, that wherever the evidence is conflicting on any material point, the question is for the jury.

Taking all matters into consideration, this question of expense in addition to the limit specified in the contract, is one of very great importance to the assured; it means a great deal; it indicates that the insurance company is responsible for all expense whether liability exists or not. By the words "even if groundless," the responsibility for every accident devolves upon the company and all the expense is upon the company and not upon the assured, and the Cornell case should prove a costly experience and more attention paid by the assured as to proper construction of contract.

It is absolutely essential that liability applications be properly drawn, thereby preventing technicalities, irregularities or loopholes on which a company may decline to accept responsibility. Clear, concise and accurate language in a policy contract is necessary in order to obviate disputes or litigation between the company and insured. The assured must be satisfied beyond doubt that the policy is backed by sufficient security, as the contract is expensive at any price without sufficient financial backing.

Directly upon the head of the fact that the plate glass insurance companies have gotten together and have formed a combination or conference for the proper maintenance of rates, it now appears that some of the companies are renewing certain classes of business at the old rates. They have only now discovered that business could no longer be written at discounts of from fifty to seventy-five per cent of tariff schedule. If the companies do not intend to strictly observe the manual rates, what does this conference mean?

The National Surety Company are the originators of what is termed the "Fidelity Insurance Policy." This is a form of contract guarantee-

ing the fidelity of an employee without requiring an application. The requirement is that the employer furnish a schedule of the names, occupations and locations of the parties to be covered, a copy of which is attached to the policy, in addition to the statement of the employer as to when the accounts of the applicants were last examined, this because of the fact that the policy only covers defalcations or embezzlement, from and after the date of the contract. Many an employer feels the absolute necessity of this safeguard, and on account of the fact that clerks have been in their employ for many years, they dislike the idea of calling upon them to fill in applications and furnishing references. By this method the question of embarrassment is set aside and the employer can secure what is deemed absolutely essential in all lines of business—a contract covering them against possible loss by larceny or embezzlement.

New Boiler Policy.

The Casualty Company of America has issued a new boiler policy, the special features of which are described as follows in a circular issued to agents:

First—This policy covers for the explosion, collapse or rupture of any of the pipes or connection of the boiler, including the main steam pipes.

Second—The assured is given the right to make settlement, in case of personal injuries, with an injured person, and a definite agreement is made by the company to reimburse for amount so expended.

Third—The defense of suits is specifically provided for in addition to the amount insured under the policy. We, therefore, do not reserve the right to settle with an assured in the case of a boiler explosion for the amount of the policy, leaving the burden of defense in case of suit upon such assured.

Fourth—In case of cancellation by either the company or the assured, no deduction is made from the return premium for inspection services. We think such deduction would be unfair, as the inspection charge is contained in the premium received, and in case of cancellation an additional charge should not be exacted from the assured. This company is the only one in the field giving this advantageous clause.

Fifth—"Use and Occupancy," or loss of profit and income as the result of a boiler explosion is also a most important feature of our contract and is written only by this company.

Burglary Losses.

The heavy losses sustained by burglary companies in New York city, which have caused the withdrawal of the United States Fidelity and Guaranty from that field, has occasioned considerable comment. The heavy losses are attributed to inadequate police protection and insufficient safeguards against fraud. It seems to be generally admitted that burglary is on the increase in New York. Brokers, through whom most of this business is obtained, favor the company which offers the most unrestricted contract and the possibility of fraudulent claims is very great. A company issuing a contract containing the necessary safeguards against fraud finds it hard to compete against the more liberal forms. Attempts to furnish a more practical policy at a lower rate has failed to meet with success, and according to one underwriter, under the present form of policy, the burglar is not so much to be feared as the fraudulent claimant.

A \$5 Theft Policy.

The Metropolitan Surety of New York is now issuing for a premium of five dollars a \$1000 policy covering loss through theft of "wearing apparel, including gloves, handkerchiefs, umbrellas, parasols, canes, fans, field and opera glasses, cameras, professional instruments, personal eye glasses, lorgnettes, traveling bags and toilet articles, wherever they may be, whether in the permanent place of residence (other than a hotel) or business office, or temporarily in any public or private building, theatre, concert hall, friends' house, museum, office, residence, bathing house, barber shop, hotel, restaurant, cafe or saloon and while traveling during the period of three days, including railroad, steamer, automobile, carriage, wagon, stage or trolley car, and during trip while staying in any hotel, public or private boarding house, or residence, or place of amusement, or business.

May Embezzlements.

Press notices and dispatches, as collated by the fidelity department of the Fidelity and Casualty Company of New York, for the month of May, 1906, indicate defalcations as follows: Banks, \$115,570; benevolent societies and institutions, \$286; building and loan and other associations, \$30,000; Federal and State, \$21,247; firms and corporations, \$243,373; insurance companies, \$582; municipal and county, \$104,200; transportation companies, \$55,000; miscellaneous, \$201,592; total, \$771,850.

Casualty Notes.

—S. C. Williams of Atlanta has been appointed general agent for the Continental Casualty in Georgia.

—So far, the reported casualties of the Fourth of July amount to 51 lives lost and 4551 persons injured.

—The United States Live Stock Insurance Company of Bainbridge, Ga., has been granted a charter. It is a mutual assessment company.

—Insurance Deputy Pierce of Nebraska has refused to take any action on the complaint of one W. B. Price against the Columbia Accident Insurance Company.

—H. B. Windsor, general agent for the Maryland Casualty in Salt Lake City, has had the State of California added to his territory, and will open an office in San Francisco.

—J. A. Williamson, cashier of the Atlanta branch of the Travelers, has been appointed supervisor of agents in the personal accident department in Georgia and South Carolina.

—Sattewhite & Underwood of Louisville have resigned as general agents of the Ocean in Kentucky, and will, on September 1, represent the Casualty of America in the same territory.

—The Southern Live Stock Insurance Company is being formed at High Point, N. C., by Geo. T. Penny. The capital stock is to be \$50,000, one quarter paid in cash and the balance secured by notes.

—The Federal Court of Appeals at St. Paul, Minn., has decided the famous sprinkler leakage, cyclone case of Finch, Young and McConville against the Maryland Casualty in favor of the casualty company.

—The New York Department has completed its examination of the New York Casualty Company and the management has been quite broadly criticised. It is intimated that a general upheaval in the company's management is imminent.

—As the mercantile burglary lines of the American Fidelity in New York city expire, they are being turned over to the Metropolitan Surety for renewal. The American Fidelity still writes residence lines in New York and both residence and mercantile in Chicago.

—The boiler inspectors residing in Pittsburg and near by cities, and employed by the different insurance companies and the State Public Safety Department of Allegheny county, met in Pittsburg on July 14 and organized a society of boiler inspectors to be known as The Association of Steam Boiler Inspectors. The object of the association is social and educational advancement. The following officers were elected: President, Edson C. Covert, chief inspector Casualty Company of America; first vice-president, Mark Clunk, inspector Hartford Steam Boiler Inspection and Insurance Company; second vice-president, Holger Jensen, inspector Maryland Casualty Company; secretary and treasurer, Andrew J. Bell, inspector, of State Boiler Inspectors for Allegheny county.

Surety Notes.

—John J. Caullet, president of the Metropolitan Surety, is on a tour of the West.

—Walter S. McClain & Co. of Denver have been appointed general agents for the Illinois Surety in Colorado.

—R. M. Nugent, manager of the New York office of the Federal Union Surety, who has been ill, is expected to return to his office next Monday.

—The examination of the Illinois Surety by Referee Delafield having proved satisfactory, the company is to be accepted in the Surrogate Courts of New York county up to \$30,000.

—The New York office of the America Bonding, under Beardsley & Southworth, made an increase of a little over fifty per cent in premiums for the half year over the first half of 1905.

—While the older surety companies have learned to give a wide berth to ten-year maintenance bonds on asphalt paving, the young companies are disposed to look kindly upon this class of risk.

—Charles F. Berry, who left Boston in 1905, after having embezzled \$300,000 from estates, has returned to Boston from South America and surrendered himself. He is now under \$15,000 bail.

—At the meeting of the National Association of State Insurance Officials, to be held in Washington in October, President William B. Joyce of the National Surety will deliver an address on surety company reserves.

—The National Surety has issued a new form of indemnity, guaranteeing deposits in New York banking institutions. This bond is issued in amounts not to exceed ten per cent of the capital and surplus of any one banking house.

—The committee on fidelity insurance of the Wisconsin Bankers Association is in favor of accepting the offer of the National Surety to

issue its own form of fidelity bond for \$2.50 per \$1000 or the Bankers Association form for \$3. About \$5,000,000 of fidelity bonds is carried by the Wisconsin banks.

—Referee Delafield is shortly to examine the National Surety for the surrogate court of New York county. The company has petitioned the superior court to appoint an investigator to co-operate in the examination.

—The statement of the Empire State Surety as of June 30, shows assets of \$1,457,434, \$609,000 of which represents cash in office and bank. Reserves are reported as follows: For claims, \$90,468; reinsurance, \$389,610, and for unpaid commissions, \$61,689. The net surplus is \$127,202.

—The New York office of the American Bonding recently joined with the National Surety and Metropolitan in writing a \$4,000,000 administration bond for William H. Macy as administrator of the estate of William M. Kingsland, late of Westchester. This office also furnished the \$1,000,000 bond for Ruth Bailey as administratrix of the estate of the late James A. Bailey, the circus man.

—Suit has been brought against the Aetna Indemnity by the receiver of the Security Fire of Little Rock to recover on bonds in the sum of \$40,000 which were issued by the Aetna to be filed with the State of Arkansas as a guarantee of payment of all claims arising out of policies issued by the Surety. The company's San Francisco claims amount to about \$75,000.

—Arrangements have been made by the organized San Francisco policyholders of the Williamsburg City Fire Insurance Company with the National Surety to indemnify the policyholders against any failure on the part of the Policyholders Corporation to perform its obligations and prosecute to the court of last resort their actions under the terms and conditions of the contract of the policyholders with the corporation. By the terms of the contract the collecting corporation agrees to prosecute the case to final judgment in the highest courts in the United States if necessary, and to collect and deposit in the Crocker-Woolworth National Bank to the order of each policyholder, or his heirs or assigns, respectively, the amount recovered with interest.

—The statement has been made several times recently that surety companies were undergoing a rigid investigation by the Massachusetts Department. In this connection it may be said that the Massachusetts Department is not making, and has not been making, examinations of the surety companies, or other companies, in particular. The published reports were doubtless occasioned by considerable correspondence which the Department has had not only with surety companies, but with fire and life companies, relative to the annual statements. In some cases officials of the companies have been asked to call at the Department relative to certain details in the annual statements which did not meet with the approval of the Department. The very voluminous correspondence in connection with details in the annual statements has made the life report very late, and it will not appear, in any event, before August 1.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Alliance Insurance Company, Philadelphia, Pa.

This company's stockholders have been called upon for contributions amounting to \$500,000 (most of which had been paid in at date of latest advices), and are ready to contribute \$250,000 more if needed.

American Fire Insurance Company, Philadelphia, Pa.

This company recently reinsured its outstanding risks (except under perpetual policies) in the Spring Garden Insurance Company of Philadelphia, the Stuyvesant Insurance Company and the Pacific Fire Insurance Company of New York, temporarily discontinuing business and retiring from New York State.

Assurance Company of America, New York.

The capital of this company has been reduced from \$400,000 to \$200,000, thus transferring \$200,000 to surplus. It is understood that the company will have \$100,000 net surplus after making provision for San Francisco losses.

Colonial Insurance Company, Washington, D. C.

This company has decided to close up its affairs, but will carry its outstanding risks to expiration.

Delaware Insurance Company, Philadelphia, Pa.

The capital of the Delaware is to be reduced from \$702,875 to \$281,150, and then increased to \$421,725 by sale of \$140,575 of new stock at 200 per cent, thus adding \$62,300 to surplus.

Dutchess Insurance Company, Poughkeepsie, N. Y.

A new company, to be known as the Dutchess Fire Insurance Company, is to be organized, with \$250,000 capital, to succeed this company and take over its business. The company's gross amount involved at San Francisco was \$1,129,849; its reinsurance to be recovered is placed at \$179,966, and its salvage, is estimated at \$474,941, leaving the estimated net amount of loss as \$474,941. On January 1, 1906, the Dutchess had \$913,282 of assets, \$200,000 of capital and a net surplus of \$175,519. Its unearned premium fund amounted to \$485,616. Its risks in Alabama, Louisiana and Mississippi have been transferred to the Cincinnati Underwriters, and those in Texas and neighboring Territories, to the Colonial of New York.

Fidelity Fire Insurance Company, New York.

This company was recently organized by parties identified with the Continental Insurance Company, and the lists of officers of the two companies are practically the same. The Fidelity has a capital of \$1,000,000 and an initial surplus of \$1,500,000. It has already been licensed in Alabama, Colorado, Delaware, District of Columbia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Ohio, New Hampshire, New Jersey, New York, North Carolina, Oklahoma, Pennsylvania, South Carolina, Texas, Utah, Vermont and West Virginia, and has applied for admission to California, Connecticut, Florida, Georgia, Indiana, Maine, Montana, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

Home Fire and Marine Insurance Company, San Francisco, Cal.

President W. J. Dutton of the Home Fire and Marine of San Francisco has announced that the above-named company would wind up its affairs and retire from business. An effort was made to keep the company on its feet by an assessment on the stockholders aggregating \$600,000, but the effort was unsuccessful. President Dutton stated that the liabilities of the company are about \$1,500,000, after deducting between \$800,000 and \$900,000 for reinsurance, while its assets amount to \$1,400,000.

Insurance Company of the State of Pennsylvania, Philadelphia.

A meeting of the stockholders of this company will be held September 5 for the purpose of voting upon a proposition to reduce the capital from \$400,000 to \$200,000, thereby turning \$200,000 into surplus.

Michigan Commercial Insurance Company, Lansing, Mich.

The capital of this company has been increased from \$200,000 to \$300,000 by the issuance of \$100,000 of new stock at 170 per cent, thus adding \$70,000 to surplus.

National Union Fire Insurance Company, Pittsburg, Pa.

An assessment of \$140 per share is to be levied upon stockholders of this company, thus adding \$1,050,000 to surplus.

Nassau Fire Insurance Company, Brooklyn, N. Y.

Statement as of April 30, 1906, showed \$865,450 of assets and a net surplus of \$118,150, after reserving \$150,000 to meet its San Francisco losses.

North German Fire Insurance Company, N. Y.

This company has reinsured its net outstanding risks, exclusive of those in California, in the Cosmopolitan Fire Insurance Company, New York.

North River Insurance Company, New York

As of April 30, 1906, this company's statement showed a net surplus of \$208,673, after reserving \$325,000 for settlement of its San Francisco losses.

Pennsylvania Fire Insurance Company, Philadelphia, Pa.

Capital is to be increased \$350,000, and surplus increased \$1,050,000, by the sale of \$350,000 of new stock at 400 per cent.

Prudential Fire Insurance Company, Tazewell, Va.

This company, which reports a capital of \$100,000, and about an equal amount of surplus, is preparing to increase each of these items to \$350,000 by the sale of \$250,000 of new stock at 200 per cent. This company has taken over the risks of the Atlanta Birmingham, and stockholders of the latter are given preference in the allotment of the new stock. The latter is to be paid for in nine instalments, one of twenty per cent, followed by eight monthly instalments of ten per cent. each.

Queen City Fire Insurance Company, Sioux Falls, S. D.

This company's losses by San Francisco conflagration of April, 1906, are estimated at \$125,000. A fund of \$225,000 is being subscribed by stockholders in order to meet these losses and add about \$100,000 net to the company's surplus.

Realm Assurance Association, Ltd., London, England.

The balance sheet of this association, as of December 31, 1905, shows as follows:

ASSETS.			
Furniture	£ 57	s. 17	d. 8
Establishment and extension expenses, advertising, salaries, directors' fees, etc.....	466	4	2
Bills receivable	146	2	9
Cash at bank	146	2	9
Agents' balances	342	19	10
	£1,038	4	5
LIABILITIES.			
Share capital	£ 701	s. 0	d. 0
Outstanding claim	90	3	6
Other liabilities	215	4	10
Profit and loss	31	16	1
	£1,038	4	5

Furniture is not usually admitted as an asset in this country, and money already disbursed for expenses would scarcely seem to be available for paying losses, so that, if the liabilities are deducted from the actually available resources, there remains a relatively small sum to offset risks in force and possible losses. The premiums in 1905 aggregated £822; claims amounted to £102, and commissions and expenses footed up to £659.

Security Fire Insurance Company, Baltimore, Md.

This company has reinsured its outstanding risks in the New Jersey Fire Insurance Company of Camden, N. J., and George R. Willis has been appointed receiver.

Star Fire Insurance Company, Louisville, Ky.

It is proposed to increase the capital of this company from \$200,000 to \$300,000.

Traders Insurance Company, Chicago, Ill.

Byron L. Smith, the receiver of the Traders of Chicago, has sent the following circular to the company's policyholders in San Francisco:

I am directed by the Circuit Court of Cook county to interpose all possible defenses to claims wanting in merit, in order that the estate in my hands may be preserved for the benefit of creditors justly entitled thereto. To guard against waiving a possible defense to an excessive or fraudulent claim, I am instructed to make objections thereto in apt time. As there lacks opportunity to inquire into the merits of each separate case, I can only object to all on all possible grounds. You are accordingly hereby notified that the proof of loss filed by you under policy No. — of the Traders Insurance Company is objected to for the following, among other reasons:

Then follows a list of reasons, which comprises practically all the grounds on which a claim under a fire insurance policy may be voided.

Transatlantic Fire Insurance Company, Hamburg, Germany.

This company has ceased writing insurance in the United States. Its estimate of its San Francisco losses, as reported to the New York Insurance Department in May last, was \$4,000,000, and a later estimate placed its net losses at \$350,000. The company's United States assets on January 1, 1906, aggregated \$680,595, and its United States branch surplus was \$351,106. Its home office statement as of January 1, 1905, showed assets amounting to \$2,891,165, including \$1,200,000 of stockholders' notes.

Revised San Francisco Loss Estimates.

Below will be found the estimated net losses of the respective companies named, occasioned by the San Francisco earthquake and conflagration of April 18-21 last, as submitted by the companies as of June 30, to the New York Insurance Department, and reported to The Journal of Commerce and Commercial Bulletin:

Name and Location of Company.	Estimated Net Loss.	Name and Location of Company.	Estimated Net Loss.
Aachen & Mun., Aix-la-Chap.	\$1,662,772	London Assurance, London..	4,016,471
Atlas, London	1,778,157	Michigan F. and M., Detroit..	356,342
British America, Toronto....	388,100	Milwaukee Fire, Milwaukee..	183,772
British-American, N. Y.....	102,150	Milwaukee Mechs., Milw'kee.	\$1,362,117
Buffalo German, Buffalo.....	254,400	Moscow, Moscow	273,755
Cologne Reins., Cologne.....	844,000	Nassau, Brooklyn	159,250
Commercial Union, London..	2,146,529	National Union, Pittsburg...	1,111,437
Commercial Union, N. Y....	126,102	New Brunswick, N. J.....	74,465
Concordia, Milwaukee	185,315	New York Fire, New York..	218,400
Connecticut, Hartford	2,241,000	North River, New York.....	321,043
Delaware, Dover	17,250	Norwich Union, Norwich....	750,030
Delaware, Philadelphia	450,000	Palatine, London	1,843,650
Dutchess, Poughkeepsie ...	474,941	Pennsylvania, Philadelphia...	2,485,428
Eagle, New York.....	469,288	Phenix, Brooklyn	2,296,125
Equitable F. and M., Prov..	250,000	Prov. Washington, Prov....	641,756
Fire Association, Phila.....	1,168,767	Prussian National, Stettin...	617,621
German Alliance, N. Y.....	250,827	Rochester German, Rochester	639,132
German-American, N. Y.....	2,380,880	Rossia, St. Petersburg.....	945,000
German National, Chicago...	174,375	Springfield F. and M., Mass.	1,650,000
Girard F. and M., Phila....	548,223	St. Paul F. & M., St. Paul..	1,182,452
Globe and Rutgers, N. Y....	692,586	United Firemens, Phila.....	225,498
Hamburg-Bremen, Hamburg.	1,336,472	Union, Philadelphia	254,500
Hanover, New York.....	1,306,274	Virginia State, Richmond....	4,855
Hartford Fire, Hartford.....	6,186,701	Western, Toronto	591,700
Indemnity, New York.....	81,891	Williamsburgh City, B'klyn..	360,274

Life Insurance by States.

NAME OF COMPANY.	Insurance in Force Dec. 31, 1904.	Insurance Written in 1905.	Premiums Received.	Losses Incurred.	Insurance in Force Dec. 31, 1905.
ARIZONA.					
Beneficial Life	\$	\$ 64,000	\$ 2,500	\$	\$ 64,000
Equitable, New York	2,423,530	382,083	70,504	15,100	2,307,913
Germania	36,660	15,000	1,483	.....	51,660
Manhattan	105,520	21,500	4,340	.....	109,419
Missouri State .....	.....	18,000	554	.....	18,000
Mutual Benefit	187,786	65,162	9,013	.....	228,948
Mutual of New York	3,704,581	821,620	140,712	38,350	3,908,581
New York Life	6,056,978	1,188,363	240,018	56,295	6,658,789
Northwestern Mutual	418,395	216,264	12,875	6,741	636,859
Pacific Mutual	17,695	1,319	544	.....	21,729
Penn Mutual	5,000	.....	156	.....	5,000
Security T. and L.	162,000	82,500	6,715	.....	192,500
State Life	426,600	33,000	15,386	.....	349,600
Union Central	302,750	141,850	13,953	1,000	315,100
Union Mutual	753,274	80,587	23,383	4,368	748,993
Totals	14,600,769	3,131,248	542,136	121,854	15,617,091
ARKANSAS.					
American Central .....	.....	60,500	753	.....	52,500
Citizens Life .....	.....	839,000	22,006	.....	736,000
Des Moines Life .....	.....	249,388	12,781	.....	240,388
Equitable, New York	10,388,650	1,650,713	360,668	99,811	10,330,242
Fidelity Mutual	4,105,091	1,468,213	154,384	33,080	4,659,043
Franklin Life	702,790	1,049,620	30,003	10,351	870,616
Germania	123,100	11,000	4,596	5,000	117,000
Hartford Life	522,560	209,570	22,639	16,000	525,052
Home Life of N. Y.	265,360	51,000	9,473	7,000	250,010
Kansas City .....	.....	73,900	2,799	.....	71,700
Massachusetts Mut.	3,825,580	325,993	133,517	67,722	3,868,368
Metropolitan	3,139,067	1,475,033	209,859	135,500	3,880,660
Missouri State	491,436	241,787	12,471	2,230	541,113
Mutual of New York	18,745,620	1,655,520	490,385	210,270	18,974,233
Nat'l of U. S. of A.	107,906	418,410	8,925	.....	411,970
New York Life	10,618,727	2,241,588	442,947	122,318	11,816,261
Northwestern Mutual	259,654	95,946	677	4,000	356,100
Northwestern Nat'l.	335,470	189,144	18,790	2,787	362,709
Pacific Mutual	1,115,201	664,000	51,178	7,076	1,446,615
Penn Mutual	1,361,765	919,880	61,721	8,000	1,936,895
Phoenix Mutual	371,880	143,740	13,620	5,000	441,260
Provident Savings	561,223	436,269	24,128	17,710	787,094
Prudential	806,559	515,793	46,221	14,000	1,177,763
Reliance Life	9,300	72,300	2,661	2,000	74,600
Security Mut., N. Y.	1,157,433	616,025	51,272	17,000	1,402,697
State Life	775,500	987,100	38,120	8,000	1,497,140
State Mutual, Ga.	23,500	32,000	692	.....	21,000
Travelers	1,482,603	66,000	46,517	18,331	1,486,603
Union Central	6,480,141	1,378,700	252,648	72,302	7,175,094
Volunteer State	234,400	58,500	6,054	.....	176,000
Totals	68,009,516	18,196,632	2,532,505	785,488	75,686,726
INDUSTRIAL BUSINESS.					
Metropolitan	1,707,517	1,760,270	.....	.....	2,118,160
HAWAII.					
Equitable, New York	3,521,800	137,800	139,372	65,000	3,147,227
Germania	1,015,334	75,900	41,713	6,400	970,305
Manhattan	703,344	25,000	25,711	.....	682,696
Mutual of New York	1,114,652	14,500	25,944	16,788	1,055,040
Mutual Reserve	89,292	5,000	2,338	.....	74,792
New England	309,299	24,028	7,000	1,000	295,102
New York Life	3,313,278	830,537	147,231	117,612	3,834,172
Pacific Mutual	1,665,322	605,726	75,293	16,455	1,836,059
Provident Savings	155,146	.....	5,355	1,000	139,146
Prudential	162,000	132,000	8,848	.....	278,000
Sun of Canada	588,798	208,540	.....	4,000	708,338
Totals	12,638,265	2,059,031	478,805	228,255	13,025,877
INDIAN TERRITORY.					
Ætna Life	106,960	122,200	7,500	.....	167,660
Bankers Reserve	52,500	124,500	6,389	.....	167,000
Chicago Life	365,150	181,750	11,212	.....	323,000
Des Moines Life .....	.....	79,551	1,600	3,000	75,051
Equitable, New York	2,856,691	948,489	80,160	25,813	2,936,287
Fidelity Mutual	432,635	251,764	17,590	3,000	580,529
Franklin Life	194,861	54,904	6,659	1,011	204,547
Germania	5,000	40,000	1,930	.....	45,000
Hartford Life	119,306	76,500	2,488	5,000	116,870
Manhattan	501,653	288,815	20,512	2,000	600,573
Massachusetts Mut.	78,500	41,831	7,512	.....	115,331
Minnesota Mutual	84,500	26,000	1,262	.....	50,500
Missouri State	501,500	134,805	11,624	3,000	416,180
Mutual Benefit	591,625	362,904	22,987	10,000	773,654
Nat'l of U. S. of A.	56,303	38,967	2,332	.....	72,971
National of Vermont .....	.....	288,652	7,679	.....	258,643
New York Life	5,942,113	1,609,910	236,680	44,011	6,657,597
Northwestern Mutual	833,805	231,000	.....	2,007	1,065,309
Pacific Mutual	485,073	137,716	19,109	.....	472,640
Penn Mutual	443,662	527,877	20,141	.....	807,025
Phoenix Mutual	60,622	5,000	2,877	.....	63,622
Provident Savings	117,490	208,272	8,194	.....	287,882
Prudential	218,852	64,357	11,434	.....	249,709
Reliance Life	25,000	26,500	1,373	.....	32,000
Security Mut., N. Y.	264,093	234,500	4,451	6,000	336,057
State Mutual, Ga. ....	.....	277,000	9,145	.....	244,500
Union Mutual	4,000	28,500	360	2,000	25,500
United States	36,155	6,000	734	.....	41,155
Totals	14,378,049	6,418,264	523,934	106,842	17,186,792

† Includes industrial.

NAME OF COMPANY.	Insurance in Force Dec. 31, 1904.	Insurance Written in 1905.	Premiums Received.	Losses Incurred.	Insurance in Force Dec. 31, 1905.
INDIANA.					
Ætna Life	\$ 9,393,104	\$ 1,030,507	\$ 355,594	\$ 145,574	\$ 9,831,810
American Central ...	7,815,493	3,044,079	862,306	19,340	10,101,049
Berkshire	790,239	83,000	26,408	21,435	819,614
Central Union .....	.....	2,143,500	71,090	6,000	2,042,000
Chicago Life	46,700	20,000	2,277	.....	59,200
Columbian National..	127,000	229,300	6,756	.....	196,470
Connecticut Mutual..	4,189,325	445,732	118,990	130,262	4,252,370
Des Moines Life.....	405,500	44,180	12,136	6,000	353,500
Equitable, New York.	18,617,153	3,296,256	609,215	182,441	17,914,391
Equitable of Iowa....	1,424,264	303,449	55,414	5,940	1,635,673
Federal Life	2,872,645	1,334,360	115,200	24,900	2,949,088
Fidelity Mutual	1,358,065	231,121	45,892	11,400	1,458,349
Franklin Life	688,406	185,735	22,447	4,000	688,508
Germania	784,425	60,000	25,045	22,627	780,592
Hartford Life	2,997,848	640,872	85,216	54,000	2,227,306
Home Life of N. Y. .	895,356	179,554	40,210	20,034	992,572
Illinois Life	1,381,839	416,495	46,322	3,000	1,438,669
Indianapolis Life ...	.....	325,000	6,187	.....	325,000
Intermediate Life ...	169,000	982,500	50,243	2,000	1,051,000
Inter-State of Indiana	5,404,096	2,284,500	460,638	21,422	6,796,886
John Hancock	8,417,484	2,070,174	320,322	24,982	9,638,552
Lafayette Life .....	.....	1,076,000	39,816	.....	1,076,000
Liberal Life	1,718,250	778,900	89,346	2,000	2,065,150
Life Ins. Co. of Va..	373,180	100,110	19,016	1,802	355,290
Lincoln National ....	.....	570,500	18,022	.....	532,000
Manhattan	2,559,447	838,150	90,786	16,565	2,497,045
Majestic .....	.....	781,012	9,904	1,349	702,688
Massachusetts Mut..	4,591,809	911,062	159,170	16,827	4,989,558
Meridian L. and T..	3,214,530	4,215,310	624,408	21,052	6,219,528
Metropolitan	7,409,550	3,332,808	1,243,521	46,300	8,451,937
Michigan Mutual.....	2,154,738	465,582	75,859	23,525	2,427,254
Mutual Benefit	7,993,355	1,183,040	285,790	89,501	8,499,680
Mutual of New York	28,219,747	3,458,347	1,003,615	351,164	28,345,871
Mutual Reserve	2,112,768	384,335	82,508	11,500	1,588,266
Nat'l L. & Accident..	145,960	274,880	31,019	9,375	218,160
Nat'l of U. S. of A..	1,353,790	148,589	15,657	2,000	377,756
National of Vermont.	3,314,511	547,030	136,586	17,000	3,604,868
New England	6,318,460	644,346	222,784	79,594	6,596,786
New York Life.....	31,301,689	5,617,862	1,063,963	321,912	33,000,399
Northwestern Mutual	20,073,397	1,765,500	677,012	246,101	20,679,093
Pacific Mutual	280,904	135,112	11,349	1,041	360,653
Penn Mutual	4,403,232	618,337	164,046	45,231	4,679,481
Phoenix Mutual	1,231,073	439,360	58,407	12,197	1,580,557
Provident L. and T..	2,050,780	193,459	78,367	15,658	2,130,429
Provident Savings....	3,898,814	1,073,748	106,723	33,000	3,568,850
Prudential	11,803,668	4,450,174	464,944	79,993	13,359,026
Reliance Life .....	.....	1,770,000	31,289	1,000	1,068,000
Reliance Life	7,000	2,000	306	.....	6,000
Reserve Loan Life...	8,713,103	2,671,652	734,761	20,500	9,936,511
Royal Union	185,000	81,602	8,324	.....	190,102
Security Mut., N. Y.	563,403	159,979	16,144	6,950	513,833
Security T. and L....	127,395	59,000	.....	3,000	108,395
State Life	12,554,353	3,029,320	442,381	70,500	13,292,711
State Mutual, Mass..	1,132,973	465,095	45,908	6,950	1,385,024
Travelers	1,320,992	765,724	62,466	15,850	1,839,325
Union Central	9,972,256	886,100	270,216	93,126	10,196,850
Union Mutual	315,751	78,876	10,055	6,931	377,107
United States	1,064,265	248,763	37,028	14,210	1,076,673
Washington	852,025	166,285	30,201	16,428	766,001
Western & Southern.	984,419	1,297,922	60,588	11,010	1,157,528
Totals	252,094,529	65,036,185	11,946,193	2,416,499	275,381,994
Industrial Business.					
Life Ins. Co. of Va..	1,885,649	905,368	.....	18,194	2,140,793
Metropolitan	26,352,728	10,240,308	.....	212,292	28,681,807
Prudential	28,768,240	10,884,551	1,217,717	285,830	32,114,686
Totals	57,006,617	22,030,227	1,217,717	516,316	62,937,286
OKLAHOMA.					
Ætna Life	102,000	52,000	2,793	.....	101,500
American Mutual....	.....	444,000	17,155	.....	444,000
American National...	.....	762,090	6,142	134	*500,000
Bankers Reserve	221,000	125,000	10,066	.....	285,000
Chicago Life	127,500	260,000	8,565	.....	307,000
Des Moines Life.....	88,500	101,860	9,330	.....	149,360
Equitable, New York	884,736	275,636	33,051	3,728	927,621
Fidelity Mutual	450,881	233,671	17,202	2,000	572,378
Franklin Life	675,779	196,797	19,643	3,043	595,966
Germania .....	.....	113,500	5,032	.....	120,983
Hartford Life	184,900	7,500	908	.....	134,900
Home Life of N. Y..	176,674	54,200	7,724	.....	144,124
Illinois Life	197,384	77,525	8,222	2,765	192,010
Kansas City	22,700	169,100	10,978	1,121	185,800
Manhattan	103,908	51,150	4,623	3,000	116,258
Massachusetts Mut..	586,280	149,600	24,248	.....	689,724
Missouri State	681,843	242,828	14,700	4,000	531,100
Mutual Benefit	648,069	282,956	29,836	2,006	735,837
Mutual of New York	5,349,577	1,229,745	126,961	22,688	6,653,290
Mutual Reserve	330,472	59,230	9,476	5,000	291,252
Nat'l of U. S. of A..	168,356	64,036	7,508	2,108	147,262
National of Vermont.	169,195	128,154	9,146	.....	238,144
New York Life.....	6,045,927	1,292,410	243,925	31,221	6,491,211
Northwestern Mutual	1,634,216	380,500	58,093	17,111	1,967,487
Northwestern Nat'l..	1,159,770	418,553	42,386	5,150	893,053
Pacific Mutual	414,030	394,314	24,074	4,026	679,519
Penn Mutual	193,506	468,935	19,766	.....	603,968
Provident Savings....	273,221	36,502	7,447	.....	227,423
Prudential	370,730	88,156	13,394	1,000	395,356
Reliance Life	15,500	18,770	581	.....	18,000
Royal Union .....	.....	147,500	5,142	.....	130,500
Security Mut., N. Y.	289,494	117,328	4,043	10,000	289,822
Security T. and L....	54,592	12,713	1,353	.....	150,472
Southwestern .....	.....	83,500	1,242	20	162,357
State Life	452,780	208,583	25,467	.....	531,363
Union Central	296,425	59,950	8,404	1,153	399,770
Wisconsin Life.....	40,000	2,000	731	.....	15,000
Totals	22,409,945	8,810,592	839,357	121,274	26,948,445
* Includes industrial.					

Miscellaneous Insurance by States.

MISCELLANEOUS INSURANCE BY STATES.—Continued.

NAME AND LOCATION OF COMPANY.	Premiums Received.	Losses Paid.	Losses Incurred.	Ratio of Losses Incurred to Premiums.
CALIFORNIA.				
<i>Accident.</i>				
Ætna Life, Hartford.....	\$ 54,445	\$ 25,614	.....	47.0
Casualty Co. of Am., New York..	635	.....	.....	.....
Continental Casualty, Chicago....	98,097	31,147	.....	31.8
Employers Liability, London.....	24,698	17,390	.....	70.4
Empire State Surety, New York...	1,453	.....	.....	.....
Fidelity and Casualty, New York..	68,634	17,033	.....	24.8
Frankfort M., A. & P. G., F'kfort.	2,272	3,129	.....	13.8
London Guar. & Accident, London	3,960	3,329	.....	84.1
Maryland Casualty, Baltimore.....	12,294	3,561	.....	29.0
Metropolitan P. G. & Cas., N. Y..	3,344	438	.....	13.1
National Casualty, Detroit.....	159	125	.....	78.6
New Amsterdam Casualty, N. Y..	4,722	2,463	.....	52.2
North American Accident, Chicago	11,763	5,910	.....	50.3
Pacific Mutual, San Francisco....	66,887	16,975	.....	25.4
Pennsylvania Casualty, Scranton..	4,711	736	.....	15.6
Preferred Accident, New York....	58,097	16,326	.....	28.1
Royal Exchange, London.....	6,671	3,325	.....	49.9
Standard Life & Accident, Detroit.	49,353	9,991	.....	20.2
Travelers, Hartford.....	57,934	27,424	.....	47.3
U. S. Casualty, New York.....	694	121	.....	17.4
U. S. Health & Accident, Saginaw	1,313	.....	.....	.....
Totals	532,136	185,037	.....	34.8
<i>Burglary.</i>				
Ætna Indemnity, Hartford.....	1,270	.....	.....	.....
American Bonding, Baltimore.....	603	.....	.....	.....
Empire State Surety, New York...	378	.....	.....	.....
Fidelity and Casualty, New York..	10,494	1,676	.....	16.0
Maryland Casualty, Baltimore.....	2,774	81	.....	2.9
National Surety, New York.....	2,837	23	.....	.8*
New Amsterdam Casualty, N. Y..	2,118	2,937	.....	138.6
Pacific Coast Cas., San Francisco.	284	.....	.....	.....
U. S. Fidelity & Guar., Baltimore.	8,833	854	.....	9.6
Totals	29,591	5,571	.....	18.8
<i>Credit.</i>				
American Credit Ind., New York.	42,646	17,398	.....	40.8
<i>Employers Liability.</i>				
Ætna Life, Hartford.....	24,551	2,163	.....	8.8
Casualty Co. of Am., New York...	2,000	.....	.....	.....
Empire State Surety, New York...	3,707	18	.....	.4
Employers Liability, London.....	59,994	26,066	.....	43.5
Fidelity and Casualty, New York..	34,511	7,216	.....	20.9
Frankfort M., A. & P. G., F'kfort.	88,109	26,656	.....	30.3
London Guar. & Accident, London	29,270	4,932	.....	16.9
Maryland Casualty, Baltimore.....	12,714	3,981	.....	31.3
New Amsterdam Casualty, N. Y..	48,365	9,698	.....	20.1
Pacific Coast Cas., San Francisco.	140,515	20,666	.....	14.7
Pennsylvania Casualty, Scranton..	8,774	170	.....	1.9
Standard Life & Accident, Detroit.	2,776	548	.....	19.7
Travelers, Hartford.....	118	.....	.....	.....
U. S. Casualty, New York.....	796	.....	.....	.....
Totals	456,200	102,114	.....	22.4
<i>Fidelity and Surety.</i>				
Ætna Indemnity, Hartford.....	49,791	6,993	.....	14.0
American Bonding, Baltimore.....	29,997	3,422	.....	11.4
American Surety, New York.....	26,610	4,402	.....	16.5
Empire State Surety, New York...	6,200	1,420	.....	22.9
Employers Liability, London.....	1,523	.....	.....	.....
Federal Union Surety, Indianapolis	1,732	.....	.....	.....
Fidelity and Casualty, New York..	5,126	351	.....	6.8
Fidelity and Deposit, Baltimore...	39,219	317	.....	.8
National Surety, New York.....	53,860	16,992	.....	31.5
Pacific Surety, San Francisco.....	44,580	5,085	.....	11.4
Title Guar. and Trust, Scranton...	9,662	1,331	.....	13.8
U. S. Fidelity & Guar., Baltimore.	95,481	20,494	.....	21.5
Totals	363,781	60,807	.....	16.7
<i>Plate Glass.</i>				
Ætna Indemnity, Hartford.....	1,944	1,097	.....	56.4
Empire State Surety, New York...	1,957	153	.....	7.8
Fidelity and Casualty, New York..	10,370	2,987	.....	28.8
Lloyds Plate Glass.....	5,069	1,274	.....	25.1
Maryland Casualty, Baltimore.....	2,598	956	.....	36.8
Metropolitan P. G. & Cas., N. Y..	7,107	1,941	.....	27.3
New Amsterdam Casualty, N. Y..	1,876	693	.....	36.9
New York Plate Glass, New York.	20,436	6,128	.....	30.0
Pacific Coast Cas., San Francisco.	722	17	.....	2.3
Pacific Surety, San Francisco.....	4,168	826	.....	19.8
Pennsylvania Casualty, Scranton...	5,946	1,561	.....	26.3
Totals	62,193	17,633	.....	28.4
<i>Steam Boiler.</i>				
Casualty Co. of Am., New York...	161	.....	.....	.....
Fidelity and Casualty, New York..	6,221	.....	.....	.....
Hartford Steam Boiler, Hartford...	25,921	208	.....	.8
Maryland Casualty, Baltimore.....	1,295	.....	.....	.....
Totals	33,598	208	.....	.6
Aggregates (California).....	1,520,145	388,768	.....	25.6

* Ratio losses paid to premiums.

NAME AND LOCATION OF COMPANY.	Premiums Received.	Losses Paid.	Losses Incurred.	Ratio of Losses Incurred to Premiums.
INDIANA.				
<i>Accident.</i>				
Ætna Life, Hartford.....	\$ 19,099	\$ 6,230	\$ 5,624	29.4
American Fidelity, Montpelier....	1,374	30	319	23.2
Casualty Co. of Am., New York*..	2,213	806	881	39.8
Central Accident, Pittsburg.....	2,236	527	527	23.6
Continental Casualty, Chicago....	106,493	52,723	52,821	49.6
Employers Liability, London.....	8,046	2,093	2,513	31.2
Fidelity and Casualty, New York..	21,797	10,228	10,228	46.9
Frankfort M., A. & P. G., F'kfort.	37	43	43	116.2
General Accident, Philadelphia....	1,280	207	429	33.5
General Accident, Perth*.....	658	348	348	52.8
Great Eastern Cas. & Ind., N. Y..	952	121	121	12.7
London Guar. & Accident, Lon....	1,267	167	167	13.2
Maryland Casualty, Baltimore.....	6,975	4,958	5,288	75.8
Metropolitan Casualty, New York.	316	21	21	6.6
National Casualty, Detroit*.....	26,779	11,861	.....	44.3
New Amsterdam Casualty, N. Y..	21	.....	.....	.....
North American Accident, Chicago	4,046	1,865	1,972	48.7
Ocean Accident & Guar., London.	4,573	1,352	1,268	27.7
Pacific Mutual, San Francisco....	8,860	4,042	4,042	45.6
Philadelphia Casualty, Philadelphia	577	12	12	2.0
Preferred Accident, New York.....	27,109	9,832	9,945	36.7
Standard Life & Accident, Detroit.	34,967	14,196	14,196	40.6
Travelers, Hartford.....	68,332	29,199	32,249	47.2
U. S. Casualty, New York.....	21,505	9,472	9,472	44.0
U. S. Health & Accident, Saginaw.	22,113	12,842	13,643	61.7
Totals	391,625	173,175	166,229	42.4
<i>Burglary.</i>				
Ætna Indemnity, Hartford.....	587	.....	.....	.....
American Bonding, Baltimore.....	809	.....	.....	.....
American Fidelity, Montpelier....	89	.....	.....	.....
Empire State Surety, New York...	20	.....	.....	.....
Fidelity and Casualty, New York..	15,586	22,475	22,475	144.2
Maryland Casualty, Baltimore.....	2,393	1,523	1,523	63.6
National Surety, New York.....	1,774	41	41	2.3
New Amsterdam Casualty, N. Y..	12	.....	.....	.....
Ocean Accident & Guar., London.	2,091	4,911	5,411	258.7
U. S. Casualty, New York.....	54	.....	.....	.....
U. S. Fidelity & Guar., Baltimore.	5,710	2,593	2,593	45.4
Totals	29,125	31,543	32,043	110.0
<i>Credit.</i>				
American Credit Ind., New York.	24,605	3,690	3,690	15.0
London Guar. & Accident, London	1,000	.....	.....	.....
Ocean Accident & Guar., London.	5,737	6,174	5,434	94.7
Totals	31,342	9,864	9,124	29.1
<i>Employers Liability.</i>				
Ætna Life, Hartford.....	52,779	21,755	46,505	88.1
American Fidelity, Montpelier....	2,703	184	530	19.6
Casualty Co. of Am., New York...	13,818	1,234	2,154	15.6
Employers Liability, London.....	54,544	26,861	34,581	63.4
Fidelity and Casualty, New York..	22,200	12,351	12,351	55.6
Frankfort M., A. & P. G., F'kfort.	67,875	51,936	51,936	76.5
General Accident, Perth.....	1,170	.....	.....	.....
London Guar. & Accident, London	48,140	12,288	12,288	25.5
Maryland Casualty, Baltimore.....	37,632	30,843	32,093	85.3
New Amsterdam Casualty, N. Y..	19	.....	.....	.....
Ocean Accident & Guar., London.	35,001	27,211	29,911	85.4
Philadelphia Casualty, Philadelphia	1,304	128	128	9.8
Standard Life & Accident, Detroit.	20,072	13,886	13,886	69.2
Travelers, Hartford.....	39,620	14,541	14,541	36.7
U. S. Casualty, New York.....	6,305	8,016	8,016	127.1
Totals	403,182	221,234	258,920	64.2
<i>Fidelity and Surety.</i>				
Ætna Indemnity, Hartford.....	5,250	101	101	1.9
American Bonding, Baltimore.....	13,844	7,902	129	.9
American Fidelity, Montpelier....	1,430	.....	.....	.....
American Surety, New York.....	41,431	4,932	5,442	13.1
Bankers Surety, Cleveland.....	2,872	79	79	2.7
Empire State Surety, New York...	1,011	.....	.....	.....
Federal Union Surety, Indianapolis	49,692	3,426	3,363	6.7
Fidelity & Casualty, New York..	1,043	.....	.....	.....
Fidelity and Deposit, Baltimore...	9,586	836	1,916	20.0
National Surety, New York.....	20,598	3,352	2,985	14.5
Title Guar. and Surety, Scranton..	7,448	.....	1,515	20.3
U. S. Fidelity & Guar., Baltimore.	30,313	2,114	2,114	6.9
U. S. Guarantee, New York.....	472	.....	.....	.....
Totals	184,990	22,742	17,644	9.5
<i>Health.</i>				
Ætna Life, Hartford.....	1,483	1,152	1,184	79.8
American Fidelity, Montpelier....	864	.....	.....	.....
Central Accident, Pittsburg.....	392	.....	.....	.....
Continental Casualty, Chicago....	13,876	6,538	6,628	47.8
Employers Liability, London.....	792	89	89	11.2
Fidelity and Casualty, New York..	5,867	2,092	2,092	35.7
Great Eastern Cas. & Ind., N. Y..	361	27	27	7.5
Maryland Casualty, Baltimore.....	985	208	233	23.7
Metropolitan Casualty, New York.	105	14	14	13.3
Ocean Accident & Guar., London.	179	.....	.....	.....
Philadelphia Casualty, Philadelphia	169	6	6	3.5
Preferred Accident, New York.....	1,697	534	846	49.8
Standard Life & Accident, Detroit.	3,136	993	993	31.7
Travelers, Hartford.....	5,974	2,485	2,485	41.6
U. S. Casualty, New York.....	5,461	1,888	1,888	34.5
Totals	41,341	16,026	16,485	39.9

* Includes health. † Ratio losses paid to premiums.

MISCELLANEOUS INSURANCE BY STATES.—Continued.

NAME AND LOCATION OF COMPANY.	Premiums Received.	Losses Paid.	Losses Incurred.	Ratio of Losses Incurred to Premiums.
INDIANA—Cont.	\$	\$	\$	%
<i>Plate Glass.</i>				
Ætna Indemnity, Hartford.....	87	.....	90	13.7
Casualty Co. of Am., New York....	655	90	770	24.0
Central Accident, Pittsburg.....	3,204	770	3,140	31.6
Fidelity and Casualty, New York..	9,930	3,140	2,605	24.8
Lloyds Plate Glass, New York.....	10,499	2,356	1,387	31.8
Maryland Casualty, Baltimore.....	4,362	1,387	1,239	22.8
Metropolitan Casualty, New York..	6,407	1,239	.....	.....
New Amsterdam Casualty, N. Y....	11	.....	550	20.2
New Jersey Plate Glass, Newark...	2,725	553	2,698	34.2
New York Plate Glass, New York..	7,886	2,475	54	6.5
Philadelphia Casualty, Philadelphia	820	54	.....	.....
Totals	46,586	12,064	12,753	27.4
<i>Steam Boiler.</i>				
Casualty Co. of Am., New York....	361	.....	.....	.....
Empire State Surety, New York....	32	.....	.....	.....
Fidelity and Casualty, New York..	11,498	427	427	3.7
Hartford Steam Boiler, Hartford....	43,219	17,629	5,355	12.4
Maryland Casualty, Baltimore.....	2,749	.....	.....	.....
Ocean Accident & Guar., London...	1,036	15,456	.....	.....
Philadelphia Casualty, Philadelphia	235	.....	.....	.....
U. S. Casualty, New York.....	1,361	.....	.....	.....
Totals	60,491	33,512	21,238	35.1
<i>Sprinkler.</i>				
Maryland Casualty, Baltimore.....	1,415	70	170	12.0
U. S. Casualty, New York.....	415	32	32	7.7
Totals	1,830	102	202	11.0
Aggregates (Indiana).....	1,190,512	520,262	534,638	44.9
IOWA.				
<i>Accident.</i>				
Ætna Life, Hartford	45,738	16,812	16,543	36.2
Casualty Co. of Am., New York*..	1,416	573	634	44.8
Continental Casualty, Chicago.....	53,245	27,497	20,059	37.7
Employers Liability, London.....	1,210	71	216	17.9
London Guar. & Accident, London...	1,846	482	482	26.1
Maryland Casualty, Baltimore.....	4,258	2,222	2,252	52.9
North American Accident, Chicago	15,120	14,918	16,071	106.3
Ocean Accident & Guar., London...	2,248	505	515	22.9
Pacific Mutual, San Francisco.....	23,486	10,669	10,669	45.4
Preferred Accident, New York....	27,183	19,530	20,605	75.8
Standard Life & Accident, Detroit.	18,555	5,800	5,800	31.2
Travelers, Hartford	45,806	25,538	27,038	59.0
U. S. Casualty, New York.....	1,007	174	174	17.3
U. S. Health & Accident, Saginaw*	14,653	5,648	5,963	40.7
Totals	255,771	130,439	127,021	49.7
<i>Burglary.</i>				
Ætna Indemnity, Hartford.....	6,309	489	489	7.7
American Bonding, Baltimore.....	672	.....	.....	.....
Empire State Surety, New York....	9	.....	.....	.....
Fidelity and Casualty, New York..	15,395	1,223	1,223	7.9
National Surety, New York.....	433	.....	.....	.....
New Amsterdam Casualty, N. Y....	892	.....	.....	.....
U. S. Fidelity & Guar., Baltimore.	5,544	.....	.....	.....
Totals	29,254	1,712	1,712	5.8
<i>Credit.</i>				
American Credit Indemnity, N. Y.	5,740	2,164	2,164	37.7
<i>Employers Liability.</i>				
Ætna Life, Hartford	15,768	3,543	9,518	60.4
Casualty Co. of Am., New York....	793	118	138	17.4
Employers Liability, London.....	6,143	1,907	2,147	35.0
London Guar. & Accident, London...	32,219	11,476	11,476	35.6
Maryland Casualty, Baltimore.....	6,488	1,931	2,881	44.4
Ocean Accident & Guar., London...	18,923	8,014	7,644	40.4
Standard Life & Accident, Detroit.	7,041	1,122	1,122	15.9
Travelers, Hartford	32,150	8,181	8,181	25.5
U. S. Casualty, New York.....	1,905	594	594	31.2
Totals	121,430	36,886	43,701	36.0
<i>Fidelity and Surety.</i>				
Ætna Indemnity, Hartford.....	6,937	.....	.....	.....
American Bonding, Baltimore.....	13,223	2,924	2,119	16.0
American Surety, New York.....	11,273	717	967	8.5
Bankers Surety, Cleveland.....	5,956	1,409	1,409	23.7
Empire State Surety, New York....	1,075	.....	.....	.....
Fidelity and Deposit, Baltimore....	24,762	6,150	3,488	14.1
Federal Union Surety, Indianapolis	7,488	.....	.....	.....
Guar. Co. of North Am., Montreal	275	.....	.....	.....
National Surety, New York.....	8,080	66	.....	.....
Title Guar. and Trust, Scranton...	10,147	.....	.....	.....
U. S. Fidelity & Guar., Baltimore.	45,365	30,636	32,343	71.3
Totals	134,581	41,902	40,326	30.0
<i>Health.</i>				
Ætna Life, Hartford	2,291	1,299	1,299	56.7
Continental Casualty, Chicago.....	5,172	2,498	2,600	50.3
Maryland Casualty, Baltimore.....	464	546	546	117.6
Ocean Accident & Guar., London...	17	.....	.....	.....
Preferred Accident, New York....	1,525	1,721	1,796	117.8
Standard Life & Accident, Detroit.	1,215	314	314	25.8
Travelers, Hartford	2,225	1,005	1,005	45.2
U. S. Casualty, New York.....	86	105	105	122.1
Totals	12,995	7,488	7,665	59.0

* Includes health. ‡ Ratio losses paid to premiums.

MISCELLANEOUS INSURANCE BY STATES.—Continued.

NAME AND LOCATION OF COMPANY.	Premiums Received.	Losses Paid.	Losses Incurred.	Ratio of Losses Incurred to Premiums.
IOWA—Cont.	\$	\$	\$	%
<i>Plate Glass.</i>				
Lloyds Plate Glass, New York....	7,055	1,628	1,645	23.3
Metropolitan Plate Glass, N. Y....	6,962	2,280	2,293	32.9
New Jersey Plate Glass, Newark...	4,506	1,368	1,556	34.5
New York Plate Glass, New York..	5,201	1,916	1,903	36.6
Totals	23,724	7,192	7,394	31.2
<i>Steam Boiler.</i>				
Hartford Steam Boiler, Hartford..	22,057	67	496	2.2
<i>Sprinkler.</i>				
U. S. Casualty, New York.....	100	.....	.....	.....
Aggregates (Iowa)	605,652	227,850	230,479	38.0
LOUISIANA.				
<i>Accident.</i>				
Ætna Life, Hartford	4,532	3,642	12,117	267.4
Continental Casualty, Chicago.....	37,640	11,737	12,532	33.3
Employers Liability, London.....	7,534	2,327	2,317	30.8
Empire State Surety, New York....	109	.....	.....	.....
Fidelity and Casualty, New York..	13,300	1,057	1,057	7.9
Frankfort M., A. & P. G., F'kfort.	669	191	191	28.5
General Accident, Perth.....	181	.....	.....	.....
London Guar. & Accident, London...	5,686	2,289	2,289	40.3
Maryland Casualty, Baltimore.....	8,048	1,473	1,918	23.8
Metropolitan P. G. & Cas., N. Y....	370	143	143	38.6
New Amsterdam Casualty, N. Y....	2,820	127	127	4.5
Ocean Accident & Guar., London...	9,482	6,355	17,748	187.2
Pacific Mutual, San Francisco.....	233	.....	.....	.....
Pennsylvania Casualty, Scranton...	1,556	117	117	7.5
Preferred Accident, New York....	8,320	3,034	3,209	38.6
Standard Life & Accident, Detroit.	6,638	1,028	1,028	15.5
Travelers, Hartford	14,481	2,540	7,790	53.8
U. S. Casualty, New York.....	3,096	2,046	2,046	66.1
Totals	124,695	38,106	64,629	51.8
<i>Burglary.</i>				
American Bonding, Baltimore.....	1,141	.....	20	1.7
Empire State Surety, New York....	188	.....	.....	.....
Fidelity and Casualty, New York..	4,329	1,670	1,670	38.6
Maryland Casualty, Baltimore.....	6,253	4,276	4,833	77.3
Ocean Accident & Guar., London...	775	.....	.....	.....
U. S. Fidelity & Guar., Baltimore.	3,528	834	700	19.8
Totals	16,214	6,780	7,223	44.6
<i>Credit.</i>				
American Credit Ind., New York..	15,010	9,695	9,695	64.6
Ocean Accident & Guar., London...	12,000	23,439	22,940	191.2
Totals	27,010	33,134	32,635	120.9
<i>Employers Liability.</i>				
Ætna Life, Hartford	28,210	8,079	19,779	70.1
Employers Liability, London.....	23,912	3,652	4,897	20.5
Empire State Surety, New York....	1,211	187	.....	.....
Fidelity and Casualty, New York..	5,964	496	496	8.3
Frankfort M., A. & P. G., F'kfort.	11,761	8,031	8,031	68.3
General Accident, Perth.....	50	.....	.....	.....
Home Accident, Fordyce.....	21,123	8,491	8,491	40.2
London Guar. & Accident, London...	11,806	4,759	4,759	40.3
Maryland Casualty, Baltimore.....	29,063	18,918	19,793	68.1
New Amsterdam Casualty, N. Y....	4,196	857	857	20.4
Ocean Accident & Guar., London...	15,891	3,645	8,217	51.7
Pennsylvania Casualty, Scranton...	4,327	95	95	2.2
Standard Life & Accident, Detroit.	10,616	4,953	4,953	46.6
Travelers, Hartford	26,857	1,523	1,523	5.6
U. S. Casualty, New York.....	2,121	4,759	4,759	224.6
Totals	197,108	68,445	86,650	43.9
<i>Fidelity and Surety.</i>				
American Bonding, Baltimore.....	13,227	1,640	372	2.8
American Surety, New York.....	28,636	.....	720	2.5
Fidelity and Deposit, Baltimore....	24,715	1,114	3,500	14.2
U. S. Fidelity & Guar., Baltimore.	18,663	751	.....	.....
Totals	85,241	3,505	4,592	5.4
<i>Health.</i>				
Ætna Life, Hartford	232	325	525	226.3
Continental Casualty, Chicago.....	3,939	1,587	1,602	40.7
Employers Liability, London.....	362	442	442	122.1
Fidelity and Casualty, New York..	4,693	1,608	1,608	34.3
Maryland Casualty, Baltimore.....	157	4	4	2.5
New Amsterdam Casualty, N. Y....	548	3	3	5.4
Ocean Accident & Guar., London...	213	.....	50	23.5
Pennsylvania Casualty, Scranton...	624	136	136	21.8
Preferred Accident, New York....	560	168	180	32.1
Standard Life & Accident, Detroit.	470	49	49	10.4
Travelers, Hartford	339	.....	.....	.....
U. S. Casualty, New York.....	375	30	30	8.0
Totals	12,512	4,352	4,629	37.0

‡ Ratio losses paid to premiums.

MISCELLANEOUS INSURANCE BY STATES.—Continued.

MISCELLANEOUS INSURANCE BY STATES.—Continued.

NAME AND LOCATION OF COMPANY.	Premiums Received.	Losses Paid.	Losses Incurred.	Ratio of Losses Incurred to Premiums.
LOUISIANA—Cont.				
<i>Plate Glass.</i>	\$	\$	\$	%
Fidelity and Casualty, New York..	1,043	298	298	28.6
Lloyds Plate Glass, New York.....	1,886	753	516	27.4
Maryland Casualty, Baltimore.....	996	180	180	18.1
Metropolitan P. G. & Cas., N. Y..	2,190	595	545	24.9
New Amsterdam Casualty, N. Y....	236	68	68	28.8
New York Plate Glass, New York..	3,213	1,228	1,214	37.8
Pennsylvania Casualty, Scranton...	655	196	196	29.9
Totals	10,219	3,318	3,017	29.5
<i>Steam Boiler.</i>				
Fidelity and Casualty, New York..	3,850	592	592	15.4
Hartford Steam Boiler, Hartford..	25,337	297	1,232	4.8
Maryland Casualty, Baltimore.....	2,929	881	1,381	47.1
Ocean Accident & Guar., London..	1,488	10	10	.6
U. S. Casualty, New York.....	235	.....	.....	....
Totals	33,839	1,780	3,215	9.5
<i>Sprinkler.</i>				
Maryland Casualty, Baltimore.....	415	.....	.....	....
Aggregates (Louisiana).....	507,253	159,420	206,590	40.7
MARYLAND.				
<i>Accident and Health.</i>				
Ætna Life, Hartford	37,071	20,685	21,712	58.6
American Fidelity, Montpelier.....	521	.....	.....	....
Casualty Co. of Am., New York....	2,412	126	156	6.4
Central Accident, Pittsburg.....	8,606	2,080	2,080	24.2
Employers Liability, London.....	7,795	1,352	.....	17.3
Fidelity and Casualty, New York..	36,513	24,083	24,083	65.9
Frankfort M., A. & P. G., F'kfort.	155	128	128	82.6
General Accident, Perth.....	16,041	4,989	5,161	32.2
Great Eastern Cas. & Ind., N. Y..	5,730	1,757	1,757	30.7
Maryland Casualty, Baltimore.....	24,901	6,543	6,996	28.1
Metropolitan P. G. & Cas., N. Y..	2,266	315	385	17.0
National Casualty, Detroit.....	3,696	923	.....	25.1
New Amsterdam Casualty, N. Y....	863	257	257	29.8
North American Accident, Chicago	229	64	64	28.0
Ocean Accident & Guar., London..	1,998	159	199	10.0
Philadelphia Casualty, Phila.....	413	78	.....	18.9
Preferred Accident, New York....	6,728	1,149	1,199	17.8
Standard Life & Accident, Detroit.	15,953	4,410	4,410	27.7
Travelers, Hartford	22,213	15,270	15,270	68.8
U. S. Casualty, New York.....	11,023	3,442	3,442	31.2
U. S. Health & Accident, Saginaw.	1,345	208	308	22.9
Totals	206,472	88,023	87,607	42.4
<i>Burglary.</i>				
Ætna Indemnity, Hartford.....	103	60	60	58.2
American Bonding, Baltimore.....	4,120	5	5	.1
American Fidelity, Montpelier.....	243	.....	.....	....
Central Accident, Pittsburg.....	35	.....	.....	....
Fidelity and Casualty, New York..	2,919	233	233	7.9
General Accident, Perth	86	25	25	29.1
Maryland Casualty, Baltimore.....	7,675	624	634	8.2
Ocean Accident & Guar., London..	3,153	2,635	2,635	83.6
National Surety, New York.....	70	.....	.....	....
U. S. Fidelity & Guar., Baltimore.	10,499	1,770	1,746	16.6
Totals	28,903	5,352	5,338	18.5
<i>Credit.</i>				
American Credit Ind., New York..	39,442	18,008	18,008	45.7
Ocean Accident & Guar., London..	3,475	3,057	3,057	88.0
Philadelphia Casualty, Phila.....	2,327	.....	.....	....
Totals	45,244	21,065	21,065	46.6
<i>Employers Liability.</i>				
Ætna Life, Hartford	10,509	2,022	7,097	67.5
American Fidelity, Montpelier.....	496	18	.....	13.6
Casualty Co. of Am., New York....	6,077	2,852	3,882	63.9
Employers Liability, London.....	20,097	9,098	7,959	39.6
Fidelity and Casualty, New York..	15,124	2,559	2,559	16.9
Frankfort M., A. & P. G., F'kfort.	4,534	5,060	5,060	111.6
General Accident, Perth.....	295	98	88	29.8
Maryland Casualty, Baltimore.....	74,177	17,989	.....	24.3
Ocean Accident & Guar., London..	15,791	13,139	14,129	89.5
Philadelphia Casualty, Phila.....	1,835	162	.....	18.8
Standard Life & Accident, Detroit.	18,380	9,518	9,518	51.8
Travelers, Hartford	35,472	4,531	4,531	12.8
U. S. Casualty, New York.....	636	2,248	2,248	353.5
Totals	203,423	69,294	57,071	28.1
<i>Fidelity and Surety.</i>				
Ætna Indemnity, Hartford.....	4,357	845	845	19.4
American Bonding, Baltimore.....	48,389	3,519	2,213	4.5
American Fidelity, Montpelier.....	20	.....	.....	....
American Surety, New York.....	11,959	16,653	.....	139.2
Employers Liability, London.....	383	.....	.....	....
Fidelity and Casualty, New York..	1,005	.....	.....	....
Fidelity and Deposit, Baltimore....	115,200	58,560	57,200	49.7
Guar. Co. of North Am., Montreal.	43	.....	.....	....
National Surety, New York.....	1,330	28	28	2.1
U. S. Fidelity & Guar., Baltimore.	80,040	28,919	44,172	55.2
Totals	262,726	108,524	104,458	39.8

‡ Ratio losses paid to premiums.

NAME AND LOCATION OF COMPANY.	Premiums Received.	Losses Paid.	Losses Incurred.	Ratio of Losses Incurred to Premiums.
MARYLAND—Cont.				
<i>Plate Glass.</i>	\$	\$	\$	%
Ætna Life, Hartford	122	125	125	102.5
Casualty Co. of Am., New York...	153	59	59	38.6
Central Accident, Pittsburg	2,653	895	895	33.7
Fidelity and Casualty, New York...	3,443	722	722	21.0
Lloyds Plate Glass, New York.....	1,663	328	397	23.9
Maryland Casualty, Baltimore.....	2,595	411	411	15.8
Metropolitan P. G. & Cas., N. Y..	1,133	378	378	33.4
New Jersey Plate Glass, Newark..	2,546	920	900	35.4
New York Plate Glass, New York..	4,839	2,665	2,710	56.0
Philadelphia Casualty, Phila.....	381	22	.....	45.7
Totals	19,528	6,525	6,597	33.8
<i>Steam Boiler.</i>				
Casualty Co. of Am., New York...	2,563	.....	.....	....
Fidelity and Casualty, New York...	4,450	.....	.....	....
Hartford Steam Boiler, Hartford..	18,211	62	989	5.4
Maryland Casualty, Baltimore.....	5,291	.....	.....	....
Ocean Accident & Guar., London..	259	.....	.....	....
Philadelphia Casualty, Phila.....	38	.....	.....	....
U. S. Casualty, New York.....	436	.....	.....	....
Totals	31,248	62	989	3.1
<i>Sprinkler.</i>				
Maryland Casualty, Baltimore.....	3,547	23	23	.6
U. S. Casualty, New York.....	163	.....	.....	....
Totals	3,710	23	23	.6
Aggregates (Maryland).....	801,254	298,868	283,148	35.3
MICHIGAN.				
<i>Accident.</i>				
Ætna Life, Hartford.....	21,025	10,310	10,167	48.4
Central Accident, Pittsburg.....	11,527	2,715	2,715	23.5
Casualty Co. of Am., New York...	3,606	1,221	1,396	38.7
Continental Casualty, Chicago.....	44,767	21,616	21,706	48.5
Employers Liability, London.....	2,508	10,351	10,226	408.6
Fidelity and Casualty, New York..	29,969	14,986	14,986	50.0
Frankfort M., A. & P. G., F'kfort.	890	248	248	27.9
General Accident, Perth.....	13,577	6,377	6,505	47.9
General Accident, Philadelphia...	1,396	657	707	50.7
London Guar. & Accident, London	5,828	882	882	15.1
Maryland Casualty, Baltimore.....	3,248	917	1,029	31.7
Metropolitan P. G. & Cas., N. Y..	363	100	100	27.5
National Casualty, Detroit.....	54,296	20,268	.....	137.4
New Amsterdam Casualty, N. Y....	177	181	181	102.3
North American Accident, Chicago.	9,608	4,164	2,185	22.7
Ocean Accident & Guar., London..	2,455	396	411	16.7
Preferred Accident, New York....	37,128	17,170	17,695	47.7
Pacific Mutual, San Francisco.....	9,840	3,120	3,120	31.7
Pennsylvania Casualty, Scranton...	2,761	802	802	29.0
Standard Life & Accident, Detroit.	85,478	22,094	22,094	25.8
Travelers, Hartford	56,201	31,538	31,538	56.1
U. S. Casualty, New York.....	8,325	1,945	1,945	23.4
U. S. Health & Accident, Saginaw.	83,385	41,788	43,580	52.3
Totals	488,358	213,846	194,218	39.8
<i>Burglary.</i>				
Ætna Indemnity, Hartford	1,573	200	200	12.7
American Bonding, Baltimore.....	260	.....	.....	....
Central Accident, Pittsburg.....	88	.....	.....	....
Fidelity and Casualty, New York..	16,975	4,658	4,658	27.4
Maryland Casualty, Baltimore.....	7,402	469	519	7.0
National Surety, New York.....	1,352	69	319	23.6
New Amsterdam Casualty, N. Y....	164	.....	.....	....
New Jersey Plate Glass, Newark...	129	.....	.....	....
Ocean Accident & Guar., London..	4,154	.....	.....	....
Totals	32,097	5,396	5,696	17.7
<i>Credit.</i>				
American Credit Ind., New York..	26,335	9,983	.....	137.9
London Guar. & Accident, London	250	.....	.....	....
Ocean Accident & Guar., London..	11,525	4,356	9,216	79.9
Totals	38,110	14,339	9,216	24.2
<i>Employers Liability.</i>				
Ætna Life, Hartford	23,558	8,379	9,629	40.9
Casualty Co. of Am., New York...	5,066	3,371	2,186	43.2
Employers Liability, London.....	10,855	3,489	2,909	26.8
Fidelity and Casualty, New York..	22,478	10,491	10,491	46.7
Frankfort M., A. & P. G., F'kfort.	17,819	15,798	15,798	88.7
General Accident, Perth.....	1,559	.....	.....	....
London Guar. & Accident, London	19,737	8,924	8,924	45.2
Maryland Casualty, Baltimore.....	7,312	910	3,030	41.4
New Amsterdam Casualty, N. Y....	235	343	343	146.0
Ocean Accident & Guar., London..	18,973	3,862	6,717	35.4
Pennsylvania Casualty, Scranton...	1,371	5,148	5,148	375.5
Standard Life & Accident, Detroit.	70,867	18,607	18,607	26.3
Travelers, Hartford	63,567	3,830	3,830	6.0
U. S. Casualty, New York.....	840	315	315	37.5
Totals	264,237	83,467	87,927	33.3

‡ Ratio losses paid to premiums.

MISCELLANEOUS INSURANCE BY STATES.—Continued.

NAME AND LOCATION OF COMPANY.	Premiums Received.	Losses Paid.	Losses Incurred.	Ratio of Losses Incurred to Premiums.
MICHIGAN—Cont.	\$	\$	\$	%
<i>Fidelity and Surety.</i>				
Ætna Indemnity, Hartford.....	1,954	438	438	22.4
American Bonding, Baltimore.....	19,984	12,681	266	1.3
American Surety, New York.....	21,529	9,466	11,520	53.5
Bankers Surety, Cleveland.....	5,857	74	74	1.2
Empire State Surety, N. Y.....	1,462	.....	.....	.....
Employers Liability, London.....	1,169	.....	.....	.....
Federal Union Surety, Indianapolis	2,545	288	288	11.3
Fidelity and Casualty, New York..	2,011	.....	.....	.....
Fidelity and Deposit, Baltimore...	32,147	14,827	13,396	41.7
Guar. Co. of North Am., Montreal.	859	.....	.....	.....
Illinois Surety, Chicago.....	1,771	.....	.....	.....
National Surety, New York.....	25,390	2,496	.....	19.8
Title Guar. and Trust, Scranton...	21,140	837	868	4.1
U. S. Fidelity & Guar., Baltimore.	36,839	7,601	4,680	12.7
Totals	174,657	48,708	31,530	18.0
<i>Health.</i>				
Ætna Life, Hartford.....	2,039	514	599	29.4
Central Accident, Pittsburg.....	1,806	305	305	16.9
Continental Casualty, Chicago.....	8,026	3,716	3,716	46.3
Employers Liability, London.....	286	151	151	52.8
Fidelity and Casualty, New York..	12,081	3,794	3,794	31.4
Great Eastern Cas. & Ind., N. Y..	301	26	26	8.6
Maryland Casualty, Baltimore.....	217	103	103	47.5
Ocean Accident & Guar., London.	70	7	32	45.7
Preferred Accident, New York....	7,767	3,473	3,411	43.9
Pennsylvania Casualty, Scranton..	494	.....	.....	.....
Standard Life & Accident, Detroit.	5,287	2,274	2,274	43.0
Travelers, Hartford.....	4,706	2,102	2,102	44.6
U. S. Casualty, New York.....	910	394	394	43.3
Totals	43,990	16,859	16,907	38.4
<i>Plate Glass.</i>				
Ætna Indemnity, Hartford.....	10	.....	.....	.....
Central Accident, Pittsburg.....	3,408	1,270	1,270	37.3
Casualty Co. of Am., New York...	1,709	299	234	13.7
Empire State Surety, New York...	668	5	.....	1.7
Fidelity and Casualty, New York..	9,587	2,376	2,376	24.8
Lloyds Plate Glass, New York.....	9,489	2,252	2,057	21.7
Maryland Casualty, Baltimore.....	6,817	1,889	1,889	27.7
Metropolitan P. G. & Cas., N. Y..	8,224	2,465	2,446	29.7
New Amsterdam Casualty, N. Y....	255	9	9	3.5
New Jersey Plate Glass, Newark...	3,892	1,041	1,041	26.7
New York Plate Glass, New York..	6,189	1,925	1,873	30.3
Pacific Surety, San Francisco.....	349	115	115	33.0
Totals	50,597	13,646	13,310	26.3
<i>Steam Boiler.</i>				
Fidelity and Casualty, New York..	18,644	796	796	4.2
Hartford Steam Boiler, Hartford..	42,971	1,229	1,076	2.5
Maryland Casualty, Baltimore.....	2,628	216	266	10.1
Ocean Accident, London.....	1,750	297	297	17.0
U. S. Casualty, New York.....	412	.....	.....	.....
Totals	66,405	2,538	2,435	3.6
<i>Sprinkler.</i>				
Maryland Casualty, Baltimore.....	2,507	4,198	4,198	167.5
U. S. Casualty, New York.....	477	152	152	31.9
Totals	2,984	4,350	4,350	145.8
Aggregates (Michigan).....	1,161,435	403,149	365,589	31.5
NEVADA.				
<i>Accident.</i>				
Continental Casualty, Chicago.....	20,026	8,545	8,635	43.1
Employers Liability, London.....	733	.....	.....	.....
Pacific Mutual, San Francisco.....	745	351	351	47.1
Royal Exchange, London.....	180	64	64	35.6
Standard Life & Accident, Detroit.	337	52	52	15.4
Totals	22,021	9,012	9,102	41.3
<i>Burglary.</i>				
Ætna Indemnity, Hartford.....	20	.....	.....	.....
Fidelity and Casualty, New York..	40	.....	.....	.....
U. S. Fidelity & Guar., Baltimore.	1,337	.....	.....	.....
Totals	1,397	.....	.....	.....
<i>Employers Liability.</i>				
Employers Liability, London.....	4,687	7,776	7,261	154.9
Fidelity and Casualty, New York..	3	.....	.....	.....
Frankfort M., A. & P. G., F'kfort.	1,145	49	49	4.2
Totals	5,835	7,825	7,310	125.3
<i>Fidelity and Surety.</i>				
Ætna Indemnity, Hartford.....	20	.....	.....	.....
American Surety, New York.....	77	.....	.....	.....
National Surety, New York.....	160	.....	.....	.....
Title Guar. and Surety, Scranton..	317	.....	.....	.....
U. S. Fidelity & Guar., Baltimore.	3,453	3,126	3,126	90.4
Totals	4,032	3,126	3,126	77.5
<i>Health.</i>				
Employers Liability, London.....	70	.....	.....	.....
<i>Plate Glass.</i>				
Lloyds Plate Glass, New York.....	100	.....	.....	.....
Aggregates (Nevada)	33,455	19,963	19,538	58.4

† Ratio losses paid to premiums.

MISCELLANEOUS INSURANCE BY STATES.—Continued.

NAME AND LOCATION OF COMPANY.	Premiums Received.	Losses Paid.	Losses Incurred.	Ratio of Losses Incurred to Premiums.
NEW MEXICO.				
<i>Accident.</i>				
Ætna Life, Hartford.....	\$ 984	\$ 124	\$ 124	12.6
Continental Casualty, Chicago*....	26,177	13,069	13,089	50.0
Employers Liability, London.....	42	.....	.....	.....
Fidelity and Casualty, New York..	10	.....	.....	.....
Maryland Casualty, Baltimore.....	890	488	530	59.6
Metropolitan P. G. & Cas., N. Y..	25	.....	.....	.....
Pacific Mutual, San Francisco.....	17,350	7,263	9,268	53.4
Standard Life & Accident, Detroit.	203	.....	.....	.....
Travelers, Hartford.....	2,230	186	186	8.3
U. S. Health & Accident, Saginaw.	3,081	946	1,106	35.9
Totals	50,992	22,081	24,303	47.7
<i>Burglary.</i>				
Fidelity and Casualty, New York..	297	.....	.....	.....
Maryland Casualty, Baltimore.....	146	.....	.....	.....
National Surety, New York.....	22	.....	.....	.....
U. S. Fidelity & Guar., Baltimore.	793	.....	.....	.....
Totals	1,258	.....	.....	.....
<i>Employers Liability.</i>				
Ætna Life, Hartford.....	77	.....	.....	.....
Maryland Casualty, Baltimore.....	497	165	165	33.2
Totals	574	165	165	28.7
<i>Fidelity and Surety.</i>				
American Surety, New York.....	824	.....	.....	.....
Fidelity and Deposit, Baltimore....	521	.....	.....	.....
National Surety, New York.....	1,502	.....	.....	.....
Title Guar. and Trust, Scranton...	217	.....	.....	.....
U. S. Fidelity & Guar., Baltimore.	4,189	.....	.....	.....
Totals	7,253	.....	.....	.....
<i>Health.</i>				
Ætna Life, Hartford.....	66	40	40	60.6
Maryland Casualty, Baltimore.....	43	10	10	23.3
Standard Life & Accident, Detroit.	12	.....	.....	.....
Totals	121	50	50	41.3
<i>Plate Glass.</i>				
Fidelity and Casualty, New York..	9	.....	.....	.....
Lloyds Plate Glass, New York.....	1,260	511	678	53.8
Maryland Casualty, Baltimore.....	485	366	366	75.5
Metropolitan P. G. & Cas., N. Y..	1,017	344	344	33.8
New York Plate Glass, New York..	454	127	127	28.0
Totals	3,225	1,348	1,515	47.0
<i>Steam Boiler.</i>				
Hartford Steam Boiler, Hartford..	2,746	.....	.....	.....
Aggregates (New Mexico)....	66,169	23,644	26,033	39.3
NORTH CAROLINA.				
<i>Accident.</i>				
Ætna, Hartford.....	15,527	4,434	7,143	46.0
Employers Liability, London.....	2,855	376	436	15.3
Fidelity and Casualty, New York..	9,954	2,717	2,717	27.3
Metropolitan P. G. & Cas., N. Y..	71	.....	.....	.....
Maryland Casualty, Baltimore.....	16,571	5,210	6,347	38.3
Ocean Accident & Guar., London.	507	69	69	13.6
Pennsylvania Casualty, Scranton...	532	247	247	46.4
Preferred Accident, New York.....	7,110	1,325	4,062	57.1
Standard Life & Accident, Detroit.	12,530	8,951	8,951	71.4
Travelers, Hartford.....	9,937	3,103	3,103	31.2
U. S. Casualty, New York.....	4,577	1,780	1,780	38.9
Totals	80,171	28,212	34,834	43.4
<i>Burglary.</i>				
Ætna Indemnity, Hartford.....	633	.....	.....	.....
American Bonding, Baltimore.....	490	.....	.....	.....
Fidelity and Casualty, New York..	2,982	.....	.....	.....
Maryland Casualty, Baltimore.....	2,103	166	166	7.8
National Surety, New York.....	178	.....	.....	.....
Ocean Accident & Guar., London.	1,745	.....	.....	.....
U. S. Fidelity & Guar., Baltimore.	1,471	.....	.....	.....
Totals	9,602	166	166	1.7
<i>Credit.</i>				
American Credit Ind., New York.	14,687	7,206	7,206	49.0
Ocean Accident & Guar., London.	8,129	1,124	2,096	25.8
Totals	22,806	8,330	9,302	40.8
<i>Employers Liability.</i>				
Employers Liability, London.....	13,748	8,972	6,147	44.7
Employers Indemnity, Philadelphia	5,429	1,194	1,194	22.0
Fidelity and Casualty, New York..	8,946	9,156	9,156	102.3
Maryland Casualty, Baltimore.....	16,399	6,124	8,144	49.7
Ocean Accident & Guar., London.	2,846	2,969	4,824	169.3
Pennsylvania Casualty, Scranton..	880	1,909	1,909	216.9
Travelers, Hartford.....	11,509	2,710	2,710	23.5
U. S. Casualty, New York.....	1,119	625	625	55.8
Totals	60,836	33,659	34,709	57.1

* Includes health.

MISCELLANEOUS INSURANCE BY STATES.—Continued.

MISCELLANEOUS INSURANCE BY STATES.—Continued.

NAME AND LOCATION OF COMPANY.	Premiums Received.	Losses Paid.	Losses Incurred.	Ratio of Losses Incurred to Premiums.
NORTH CAROLINA—Cont.				
<i>Fidelity and Surety.</i>				
Ætna Indemnity, Hartford.....	\$ 1,610	\$ 30	\$ 30	1.8
American Bonding, Baltimore.....	10,701	663	50	5
American Surety, New York.....	6,390	6,253	3,452	54.0
Fidelity and Casualty, New York..	69	.....	.....	.....
Fidelity and Deposit, Baltimore...	6,249	18,346	17,684	283.0
Federal Union Surety, Indianapolis	1,099	.....	.....	.....
National Surety, New York.....	7,219	2,250	3,193	44.2
Title Guaranty & Trust, Scranton...	3,477	45	45	1.3
U. S. Fidelity & Guar., Baltimore.	22,643	4,371	4,623	20.4
Totals	59,457	31,958	29,077	48.9
<i>Health.</i>				
Ætna, Hartford	4,033	4,787	4,822	119.5
Employers Liability, London.....	867	3,681	3,181	366.8
Fidelity and Casualty, New York..	5,835	3,683	3,683	63.1
Maryland Casualty, Baltimore.....	7,658	3,449	4,496	58.7
Ocean Accident & Guar., London...	103	7	7	6.8
Pennsylvania Casualty, Scranton...	1,384	657	657	47.5
Preferred Accident New York.....	3,967	2,104	2,217	55.9
Standard Life & Accident, Detroit.	1,614	1,162	1,162	72.0
Travelers (accident dept.), Hartford	1,206	880	880	73.0
U. S. Casualty, New York.....	6,152	3,190	3,190	51.9
Totals	32,819	23,600	24,295	74.0
<i>Plate Glass.</i>				
Fidelity and Casualty, New York..	2,076	319	319	15.4
Lloyds Plate Glass, New York.....	609	143	123	20.2
Metropolitan P. G. & Cas., N. Y..	876	228	228	26.0
Maryland Casualty, Baltimore.....	1,001	74	74	7.3
New York Plate Glass, New York...	736	121	181	24.6
Pennsylvania Casualty, Scranton...	320	104	104	32.5
Totals	5,618	989	1,229	21.9
<i>Steam Boiler.</i>				
Fidelity and Casualty, New York..	5,202	.....	.....	.....
Hartford Steam Boiler, Hartford...	18,300	10,766	11,861	64.8
Maryland Casualty, Baltimore.....	1,542	2	2	.1
Totals	25,044	10,768	11,863	47.3
Aggregates (North Carolina).....	296,353	137,682	145,475	49.1
NORTH DAKOTA.				
<i>Accident.</i>				
Ætna Life, Hartford	3,641	502	647	17.8
Continental Casualty, Chicago.....	32,738	12,441	13,015	39.8
Employers Liability, London.....	112	.....	.....	.....
Fidelity and Casualty, New York..	1,900	93	93	4.8
Great Eastern Cas. & Ind., N. Y..	465	60	60	12.9
Maryland Casualty, Baltimore.....	1,419	200	370	26.1
Metropolitan P. G. & Cas., N. Y..	71	.....	.....	.....
Ocean Accident & Guar., London...	4,260	900	900	21.1
Pacific Mutual, San Francisco.....	777	29	29	3.7
Standard Life & Accident, Detroit.	2,670	919	.....	134.4
Travelers, Hartford	17,439	4,457	6,457	37.0
U. S. Casualty, New York.....	2	.....	.....	.....
Totals	65,494	19,601	21,571	32.9
<i>Burglary.</i>				
Ætna Indemnity, Hartford.....	1,056	.....	.....	.....
Fidelity and Casualty, New York..	1,696	38	38	2.1
Maryland Casualty, Baltimore.....	1,292	361	361	27.9
Ocean Accident & Guar., London...	3,687	4,591	4,591	124.5
U. S. Fidelity & Guar., Baltimore..	256	.....	.....	.....
Totals	7,987	4,990	4,990	62.5
<i>Employers Liability.</i>				
Ætna Life, Hartford	506	.....	.....	.....
Employers Liability, London.....	513	25	25	4.8
Maryland Casualty, Baltimore.....	1,376	3,932	3,932	285.8
Ocean Accident & Guar., London...	6,204	1,563	1,563	25.2
Travelers, Hartford	1,025	576	576	56.2
Totals	9,624	6,096	6,096	63.3
<i>Fidelity and Surety.</i>				
Ætna Indemnity, Hartford.....	508	1,878	1,878	369.7
American Bonding, Baltimore.....	512	1,822	.....	355.9
American Surety, New York.....	1,068	.....	.....	.....
Empire State Surety, New York...	526	.....	.....	.....
Employers Liability, London.....	42	.....	.....	.....
Federal Union Surety, Indianapolis	142	.....	.....	.....
Fidelity and Casualty, New York..	233	.....	.....	.....
Fidelity and Deposit, Baltimore....	2,227	.....	.....	.....
National Surety, New York.....	833	.....	.....	.....
Title Guar. and Trust, Scranton...	1,976	.....	.....	.....
U. S. Fidelity & Guar., Baltimore..	5,032	4,664	.....	92.7
Totals	13,099	8,364	1,878	14.3
<i>Health.</i>				
Ætna Life, Hartford	127	54	54	42.5
Continental Casualty, Chicago.....	3,112	1,398	1,429	45.9
Fidelity and Casualty, New York..	319	379	379	118.8
Great Eastern Cas. & Ind., N. Y..	41	.....	.....	.....
Maryland Casualty, Baltimore.....	206	249	249	120.9
Ocean Accident & Guar., London...	348	.....	.....	.....
Standard Life & Accident, Detroit.	336	181	.....	53.9
Travelers, Hartford	1,162	629	629	54.1
Totals	5,651	2,890	2,740	48.5

‡ Ratio losses paid to premiums.

NAME AND LOCATION OF COMPANY.	Premiums Received.	Losses Paid.	Losses Incurred.	Ratio of Losses Incurred to Premiums.
NORTH DAKOTA—Cont.				
<i>Plate Glass.</i>				
Ætna Indemnity, Hartford.....	57	.....	.....	.....
Fidelity and Casualty, New York..	1,281	425	425	33.2
Lloyds Plate Glass, New York.....	2,272	828	804	35.4
Maryland Casualty, Baltimore.....	526	674	674	128.2
Metropolitan P. G. & Cas., N. Y..	589	540	562	95.4
New York Plate Glass, New York...	1,071	350	363	33.9
Totals	5,796	2,817	2,828	48.8
<i>Steam Boiler.</i>				
Hartford Steam Boiler, Hartford...	698	.....	.....	.....
Maryland Casualty, Baltimore.....	25	.....	.....	.....
Totals	723	.....	.....	.....
Aggregates (North Dakota).....	108,374	44,758	40,103	37.0
OHIO.				
<i>Accident.</i>				
Ætna Life, Hartford	133,049	87,778	88,733	66.7
American Fidelity, Montpelier.....	525	.....	.....	.....
Casualty Co. of Am., New York*..	9,892	4,711	4,746	48.0
Central Accident, Pittsburg.....	76,699	44,246	44,246	57.7
Continental Casualty, Chicago.....	52,156	21,537	28,783	55.2
Empire State Surety, New York...	14	.....	.....	.....
Employers Liability, London.....	10,312	4,491	4,816	46.7
Fidelity and Casualty, New York..	62,295	27,662	27,662	44.4
General Accident, Philadelphia....	120,378	44,766	47,403	39.4
Great Eastern Cas. & Ind., N. Y..	55,986	18,006	18,006	32.2
Maryland Casualty, Baltimore.....	28,832	34,993	35,611	123.5
Metropolitan P. G. & Cas., N. Y..	7,325	933	1,053	14.4
National Casualty, Detroit*.....	91,691	34,452	34,452	37.6
New Amsterdam Casualty, N. Y..	13,256	8,274	8,279	62.4
North American Accident, Chicago	101,116	44,554	46,067	45.6
Ocean Accident & Guar., London...	14,222	4,645	3,299	23.2
Pacific Mutual, San Francisco.....	26,646	26,664	26,664	100.1
Pennsylvania Casualty, Scranton...	4,511	7,668	7,668	170.0
Philadelphia Casualty, Philadelphia	17,928	7,579	7,579	42.3
Preferred Accident, New York.....	71,969	27,169	27,244	37.9
Standard Life & Accident, Detroit.	79,414	40,089	40,089	50.5
Travelers, Hartford	213,319	203,149	210,649	98.7
U. S. Casualty, New York.....	33,226	20,797	20,797	62.6
U. S. Health & Accident, Saginaw*	62,940	30,228	30,686	48.8
Totals	1,287,701	744,391	764,532	59.4
<i>Burglary.</i>				
Ætna Indemnity, Hartford.....	12,772	3,101	3,101	24.3
American Bonding, Baltimore.....	1,118	.....	.....	.....
American Fidelity, Montpelier.....	378	.....	.....	.....
Central Accident, Pittsburg.....	1,184	.....	.....	.....
Empire State Surety, New York...	56	.....	.....	.....
Fidelity and Casualty, New York..	31,687	16,646	16,646	52.5
Maryland Casualty, Baltimore.....	6,664	1,074	1,094	16.4
National Surety, New York.....	2,620	135	210	8.0
New Amsterdam Casualty, N. Y..	2,720	285	285	10.5
New Jersey Plate Glass, Newark...	80	.....	.....	.....
Ocean Accident & Guar., London...	5,555	.....	.....	.....
Pacific Coast Cas., San Francisco..	72	.....	.....	.....
U. S. Casualty, New York.....	132	242	242	183.3
U. S. Fidelity & Guar., Baltimore..	25,263	4,839	3,731	14.8
Totals	90,301	26,322	25,309	28.0
<i>Credit.</i>				
American Credit Ind., New York..	84,935	31,642	31,642	37.3
Ocean Accident & Guar., London...	50,768	20,365	23,841	47.0
Philadelphia Casualty, Philadelphia	4,289	2,159	2,159	50.3
Totals	139,992	54,166	57,642	41.2
<i>Employers Liability.</i>				
Ætna Life, Hartford	133,947	39,518	54,818	40.9
Casualty Co. of Am., New York...	50,872	10,345	16,725	32.9
Empire State Surety, New York...	1,532	2	2	.1
Employers Liability, London.....	92,697	58,445	56,705	61.2
Fidelity and Casualty, New York..	71,434	25,872	25,872	36.2
Maryland Casualty, Baltimore.....	21,317	31,600	32,840	154.0
Ocean Accident & Guar., London...	133,001	95,338	112,941	84.9
Standard Life & Accident, Detroit.	87,701	54,955	54,955	62.7
Travelers, Hartford	186,483	72,002	72,002	38.6
U. S. Casualty, New York.....	5,284	438	438	8.2
Totals	891,388	388,515	427,298	47.9
<i>Fidelity and Surety.</i>				
Ætna Indemnity, Hartford.....	21,227	46	46	.2
American Bonding, Baltimore.....	62,441	16,609	6,232	9.9
American Fidelity, Montpelier.....	9	.....	.....	.....
American Surety, New York.....	106,215	25,196	23,060	21.7
Bankers Surety, Cleveland.....	62,123	5,898	24,610	39.6
Citizens Trust & Guar., Parkersburg	1,311	.....	.....	.....
Empire State Surety, New York...	3,168	.....	.....	.....
Employers Liability, London.....	153	.....	.....	.....
Federal Union Surety, Indianapolis	13,494	.....	.....	.....
Fidelity and Casualty, New York..	6,781	.....	.....	.....
Fidelity and Deposit, Baltimore....	54,490	17,180	13,280	24.4
Illinois Surety, Chicago.....	238	.....	.....	.....
National Surety, New York.....	38,823	38,525	39,557	101.9
Title Guar. & Trust, Scranton.....	15,218	579	579	3.8
U. S. Fidelity & Guar., Baltimore..	107,120	7,219	28,828	26.9
Totals	492,811	111,252	136,192	27.6

‡ Ratio losses paid to premiums.

MISCELLANEOUS INSURANCE BY STATES.—Continued.

NAME AND LOCATION OF COMPANY.	Premiums Received.	Losses Paid.	Losses Incurred.	Ratio of Losses Incurred to Premiums.
<i>OHIO—Cont.</i>	\$	\$	\$	%
<i>Health.</i>				
Ætna Life, Hartford	16,796	7,659	7,976	47.5
American Fidelity, Montpelier.....	227	.....	.....	21.3
Central Accident, Pittsburg.....	14,712	3,138	3,138	21.3
Continental Casualty, Chicago.....	2,747	1,290	1,668	60.7
Employers Liability, London.....	1,389	854	664	47.8
Fidelity and Casualty, New York..	18,662	6,029	6,029	32.3
Great Eastern Cas. & Ind., N. Y..	20,586	6,747	11,747	57.1
Maryland Casualty, Baltimore.....	2,385	1,636	1,641	68.8
Metropolitan P. G. & Cas., N. Y..	1,232	191	203	16.5
New Amsterdam Casualty, N. Y....	1,972	474	474	24.0
Pennsylvania Casualty, Scranton...	987	356	356	36.1
Ocean Accident & Guar., London...	1,069	104	104	9.7
Philadelphia Casualty, Philadelphia	4,943	1,811	1,811	36.6
Preferred Accident, New York.....	6,532	3,595	3,720	57.0
Standard Life & Accident, Detroit.	8,511	3,913	3,913	46.0
Travelers, Hartford	19,359	9,343	9,343	48.3
U. S. Casualty, New York.....	5,198	1,993	1,993	38.3
Totals	127,307	49,133	54,780	43.0
<i>Plate Glass.</i>				
Ætna Indemnity, Hartford	5,133	1,557	1,557	30.3
Casualty Co. of Am., New York...	793	189	204	25.7
Central Accident, Pittsburg	12,409	3,939	3,939	31.7
Empire State Surety, New York...	549	36	36	6.5
Fidelity and Casualty, New York...	11,556	2,552	2,552	22.1
Lloyds Plate Glass, New York.....	22,579	5,232	5,220	23.1
Maryland Casualty, Baltimore.....	6,004	2,247	2,247	37.4
Metropolitan P. G. & Cas., N. Y..	12,370	3,760	3,915	31.6
New Amsterdam Casualty, N. Y....	1,143	137	137	12.0
New Jersey Plate Glass, Newark...	9,061	3,134	3,022	33.3
New York Plate Glass, New York...	8,930	2,719	2,723	30.5
Pacific Surety, San Francisco.....	2,950	934	934	31.7
Pennsylvania Casualty, Scranton...	664	158	158	23.8
Philadelphia Casualty, Philadelphia	15,983	6,225	6,225	39.0
Totals	110,124	32,819	32,869	29.8
<i>Steam Boiler.</i>				
Casualty Co. of Am., New York...	5,189	9	509	9.8
Fidelity and Casualty, New York...	36,640	11,528	11,528	31.5
Hartford Steam Boiler, Hartford...	70,216	2,805	2,367	3.3
Maryland Casualty, Baltimore.....	5,287	1,577	1,727	32.7
Ocean Accident & Guar., London...	5,795	136	1,836	31.7
Philadelphia Casualty, Philadelphia	1,909	75	75	3.9
U. S. Casualty, New York.....	1,148	.....	.....	.....
Totals	126,184	16,130	18,042	14.3
<i>Sprinkler.</i>				
Maryland Casualty, Baltimore.....	4,794	1,051	1,126	23.5
U. S. Casualty, New York.....	2,280	229	229	10.0
Totals	7,074	1,280	1,355	19.2
Aggregates (Ohio)	3,272,882	1,424,008	1,518,019	46.4
<i>PENNSYLVANIA.</i>				
<i>Accident.</i>				
Ætna Life, Hartford.....	147,276	51,664	61,749	41.9
American Casualty, Reading.....	34,276	7,108	7,693	22.4
American Fidelity, Montpelier....	7,311	731	804	11.0
Casualty Co. of Am., New York*...	10,724	3,212	3,439	32.1
Central Accident, Pittsburg.....	178,941	63,831	63,831	35.7
Continental Casualty, Chicago.....	40,155	18,254	17,528	43.7
Empire State Surety, New York...	746	.....	.....	.....
Employers Indemnity, Philadelphia	1,157	120	120	10.4
Employers Liability, London.....	15,992	6,596	844	5.2
Fidelity and Casualty, New York...	123,331	45,004	45,004	36.5
Frankfort M., A. & P. G., F'kfort.	1,996	1,373	1,373	68.8
General Accident, Philadelphia....	79,601	30,619	31,291	39.3
General Accident, Perth*	80,125	27,938	28,866	36.0
Great Eastern Cas. & Ind., N. Y..	24,626	6,247	6,247	25.4
London Guar. & Accident, London	4,643	1,220	1,220	26.3
Maryland Casualty, Baltimore.....	7,589	3,474	8,174	107.7
Metropolitan P. G. & Cas., N. Y..	1,641	237	287	17.5
National Casualty, Detroit*.....	39,109	19,321	19,321	49.4
New Amsterdam Casualty, N. Y....	5,099	724	724	14.2
North American Accident, Detroit.	34,338	12,964	13,167	38.4
Ocean Accident & Guar., London...	6,929	2,073	2,162	31.2
Pacific Mutual, San Francisco.....	20,957	4,417	4,417	21.1
Pennsylvania Casualty, Scranton...	33,064	12,204	12,204	36.9
Philadelphia Casualty, Philadelphia	42,803	20,503	21,057	49.2
Phoenix Preferred Accid't, Detroit.	2,050	.....	.....	.....
Preferred Accident, New York.....	89,109	35,901	36,251	40.7
Standard Life & Accident, Detroit.	39,759	20,616	20,616	51.9
Travelers, Hartford	270,583	145,675	154,675	57.2
U. S. Casualty, New York.....	26,056	12,773	12,773	49.0
U. S. Health & Accident, Saginaw*	90,986	45,309	47,227	51.9
Totals	1,460,972	600,108	623,064	42.6
<i>Burglary.</i>				
Ætna Indemnity, Hartford.....	3,670	1,728	1,728	47.1
American Bonding, Baltimore.....	1,966	15	15	.7
American Casualty, Reading.....	3,216	801	801	24.9
American Fidelity, Montpelier....	3,918	1,282	1,527	39.0
Central Accident, Pittsburg.....	953	.....	.....	.....
Empire State Surety, New York...	77	.....	.....	.....
Fidelity and Casualty, New York...	47,200	2,649	2,649	5.6
General Accident, Perth	23,295	7,549	6,817	29.3
Maryland Casualty, Baltimore.....	8,720	993	2,164	24.8
National Surety, New York.....	1,255	81	81	6.4
New Amsterdam Casualty, N. Y....	1,423	663	663	46.6
New Jersey Plate Glass, Newark...	133	.....	.....	.....

* Includes health.

MISCELLANEOUS INSURANCE BY STATES.—Continued.

NAME AND LOCATION OF COMPANY.	Premiums Received.	Losses Paid.	Losses Incurred.	Ratio of Losses Incurred to Premiums.
<i>PENNSYLVANIA—Cont.</i>	\$	\$	\$	%
Ocean Accident & Guar., London...	3,489	14	14	.4
U. S. Casualty, New York.....	1,045	30	184	17.6
U. S. Fidelity & Guar., Baltimore.	35,851	14,851	13,327	37.2
Totals	136,211	30,656	29,970	22.0
<i>Credit.</i>				
American Credit Ind., New York...	120,611	52,571	52,571	43.6
London Guar. & Accident, London	6,575	.....	.....	.....
Ocean Accident & Guar., London...	32,656	10,555	4,985	15.3
Philadelphia Casualty, Philadelphia	19,077	14,817	14,817	77.7
Totals	178,919	77,943	72,373	40.5
<i>Employers Liability.</i>				
Ætna Life, Hartford	63,069	10,865	21,365	38.6
American Casualty, Reading.....	20,114	482	482	2.4
American Fidelity, Montpelier....	5,710	670	442	7.7
Casualty Co. of Am., New York...	28,756	5,609	6,999	24.3
Empire State Surety, New York...	24,355	.....	.....	.....
Employers Liability, London.....	107,933	46,894	43,504	40.3
Employers Indemnity, Philadelphia	142,673	41,323	41,323	29.0
Fidelity and Casualty, New York...	103,301	59,394	59,394	57.5
Frankfort M., A. & P. G., F'kfort	34,824	50,820	50,820	146.0
General Accident, Perth.....	10,904	1,445	2,650	24.3
London Guar. & Accident, London	26,319	14,928	14,928	56.7
Maryland Casualty, Baltimore.....	44,555	16,669	19,234	43.2
New Amsterdam Casualty, N. Y....	916	1,031	1,031	112.5
Ocean Accident & Guar., London...	68,421	26,795	38,153	55.8
Pennsylvania Casualty, Scranton...	20,990	3,593	3,593	17.1
Philadelphia Casualty, Philadelphia	39,735	8,584	8,584	21.6
Standard Life & Accident, Detroit.	25,532	7,004	7,004	27.4
Travelers, Hartford	268,258	48,584	48,584	18.1
U. S. Casualty, New York.....	54,122	20,396	20,396	37.7
Totals	1,090,537	365,091	391,491	35.9
<i>Fidelity and Surety.</i>				
Ætna Indemnity, Hartford	13,775	468	468	3.4
American Bonding, Baltimore.....	29,861	34,584	3,512	11.8
American Fidelity, Montpelier....	503	.....	.....	.....
American Surety, New York.....	160,744	11,616	8,719	5.4
Bankers Surety, Cleveland.....	2,519	.....	.....	.....
Empire State Surety, New York...	14,418	1,839	1,839	12.7
Employers Liability, London.....	5,306	.....	.....	.....
Federal Union Surety, Indianapolis	364	.....	.....	.....
Fidelity and Casualty, New York...	16,064	2,362	2,362	14.7
Fidelity and Deposit, Baltimore...	69,980	13,795	9,827	14.0
Guar. Co. of North Am., Montreal.	35,625	3,993	4,229	11.9
Metropolitan Surety, New York...	4,385	1,775	1,775	40.5
National Surety, New York.....	48,315	9,670	14,120	29.2
Title Guar. and Surety, Scranton.	75,188	27,349	28,677	38.1
U. S. Fidelity & Guar., Baltimore.	147,244	119,988	118,137	80.2
U. S. Guarantee, New York.....	3,383	763	1,913	56.5
Totals	627,674	228,202	195,578	31.2
<i>Health.</i>				
Ætna Life, Hartford	25,320	9,057	9,828	38.8
American Casualty, Reading.....	1,808	1,133	1,133	62.7
American Fidelity, Montpelier....	2,685	216	694	25.8
Central Accident, Pittsburg.....	32,709	10,400	10,400	31.8
Continental Casualty, Chicago.....	21,431	9,017	9,007	42.0
Employers Liability, London.....	3,310	1,008	618	18.7
Fidelity and Casualty, New York...	58,455	20,519	20,519	35.1
Great Eastern Cas. & Ind., N. Y..	9,036	2,991	2,991	33.1
Maryland Casualty, Baltimore.....	1,560	792	1,042	66.8
Metropolitan P. G. & Cas., N. Y..	520	.....	.....	.....
New Amsterdam Casualty, N. Y....	1,549	202	202	13.0
Ocean Accident & Guar., London...	583	57	57	9.7
Pennsylvania Casualty, Scranton...	5,889	3,222	3,222	54.7
Philadelphia Casualty, Philadelphia	14,703	4,392	4,610	31.1
Preferred Accident, New York...	13,559	4,519	4,907	36.2
Standard Life & Accident, Detroit.	10,574	3,326	3,326	31.5
Travelers, Hartford	38,246	14,846	14,846	38.8
U. S. Casualty, New York.....	8,494	2,453	2,453	28.9
Totals	250,431	88,150	89,955	35.9
<i>Plate Glass.</i>				
Ætna Indemnity, Hartford.....	2,091	106	106	5.0
American Casualty, Reading.....	2,325	284	284	12.2
Casualty Co. of Am., New York...	894	333	333	37.3
Central Accident, Pittsburg.....	22,312	5,734	5,734	25.7
Empire State Surety, New York...	26	.....	.....	.....
Fidelity and Casualty, New York...	17,794	5,023	5,023	28.2
Lloyds Plate Glass, New York...	15,116	3,380	3,590	23.7
Maryland Casualty, Baltimore.....	2,239	852	852	38.1
Metropolitan P. G. & Cas., N. Y..	14,976	5,412	5,397	36.0
New Amsterdam Casualty, N. Y....	957	157	157	16.4
New Jersey Plate Glass, Newark...	6,058	1,720	1,778	29.4
New York Plate Glass, New York...	18,879	7,255	7,313	38.7
Pennsylvania Casualty, Scranton...	1,940	134	134	6.9
Philadelphia Casualty, Philadelphia	11,091	3,110	3,243	29.2
U. S. Plate Glass, Philadelphia...	25,841	9,182	9,792	37.9
Totals	142,539	42,682	43,736	30.7
<i>Steam Boiler.</i>				
American Casualty, Reading.....	6,034	64	64	1.0
Casualty Co. of Am., New York...	24,204	2,743	2,943	12.2
Empire State Surety, New York...	150	.....	.....	.....
Fidelity and Casualty, New York...	67,847	6,780	6,780	9.9
Hartford Steam Boiler, Hartford...	102,318	2,882	4,536	4.4
Maryland Casualty, Baltimore.....	9,404	175	1,485	15.8

MISCELLANEOUS INSURANCE BY STATES.—Continued.

NAME AND LOCATION OF COMPANY.	Premiums Received.	Losses Paid.	Losses Incurred.	Ratio of Losses Incurred to Premiums.
PENNSYLVANIA—Cont.				
Ocean Accident & Guar., London.	\$ 2,884	\$ 80	\$ 80	2.7
Pennsylvania Casualty, Scranton..	9,218	5,854	5,854	63.5
Philadelphia Casualty, Philadelphia	6,083	429	429	7.1
U. S. Casualty, New York.....	9,079	.....	.....	....
Totals	237,221	19,007	22,171	9.3
Sprinkler.				
Maryland Casualty, Baltimore.....	6,431	742	867	13.5
U. S. Casualty, New York.....	4,566	171	171	3.7
Totals	10,997	913	1,038	9.4
Aggregates (Pennsylvania)...	4,135,501	1,452,752	1,469,376	35.5
SOUTH CAROLINA.				
<i>Accident.</i>				
Ætna Life, Hartford	11,926	2,626	2,585	21.7
Employers Liability, London.....	1,321	91	91	6.8
Fidelity and Casualty, New York..	10,874	1,546	1,546	14.2
Maryland Casualty, Baltimore.....	8,033	3,676	4,237	52.7
Metropolitan P. G. & Cas., N. Y..	652	.....	.....	....
New Amsterdam Casualty, N. Y....	242	107	107	44.2
Ocean Accident & Guar., London.	514	389	389	75.7
Pacific Mutual, San Francisco....	313	553	553	176.7
Pennsylvania Casualty, Scranton...	1,472	358	.....	24.3
Preferred Accident, New York....	7,045	3,320	845	12.0
Standard Life & Accident, Detroit.	12,825	6,663	.....	51.9
Travelers, Hartford	6,660	1,482	1,482	22.3
U. S. Casualty, New York.....	5,136	2,221	2,221	43.2
U. S. Health & Accident, Saginaw*	379	313	354	93.4
Totals	67,392	23,345	14,410	21.4
<i>Burglary.</i>				
Ætna Indemnity, Hartford.....	264	444	444	168.2
Fidelity and Casualty, New York..	1,701	15	15	.8
Maryland Casualty, Baltimore.....	792	444	444	56.1
New Amsterdam Casualty, N. Y....	271	104	104	38.4
Ocean Accident & Guar., London.	899	.....	.....	....
U. S. Casualty, New York.....	78	.....	.....	....
U. S. Fidelity & Guar., Baltimore.	1,712	65	65	3.8
Totals	5,717	1,072	1,072	18.8
<i>Credit.</i>				
American Credit Ind., New York.	11,978	3,077	3,077	25.7
Ocean Accident & Guar., London.	2,775	95	95	3.4
Totals	14,753	3,172	3,172	21.5
<i>Employers Liability.</i>				
Ætna Life, Hartford	1,653	2,626	2,026	122.5
Employers Indemnity, Phila.....	10,994	2,878	2,878	26.2
Employers Liability, London.....	4,981	238	503	10.1
Fidelity and Casualty, New York..	2,862	3,686	3,686	128.8
Maryland Casualty, Baltimore.....	3,523	3,091	5,279	149.8
New Amsterdam Casualty, N. Y....	181	.....	.....	....
Ocean Accident & Guar., London.	3,574	2,030	2,030	56.8
Pennsylvania Casualty, Scranton...	254	897	.....	353.2
Travelers, Hartford	6,475	1,135	1,135	17.5
U. S. Casualty, New York.....	985	481	481	48.8
Totals	35,482	17,062	18,018	50.8
<i>Fidelity and Surety.</i>				
Ætna Indemnity, Hartford.....	2,541	214	214	8.4
American Bonding, Baltimore.....	5,022	.....	.....	....
American Surety, New York.....	3,667	2,271	2,271	61.9
Fidelity and Casualty, New York..	505	4,811	4,811	952.6
Fidelity and Deposit, Baltimore...	4,770	.....	.....	....
Guar. Co. of North Am., Montreal.	2,268	1,123	1,594	70.3
National Surety, New York.....	854	.....	.....	....
Title Guar. and Trust, Scranton...	1,776	.....	.....	....
U. S. Fidelity & Guar., Baltimore.	12,208	18,118	19,161	156.9
Totals	33,611	26,537	28,051	83.4
<i>Health.</i>				
Ætna Life, Hartford	3,192	1,612	1,644	51.5
Employers Liability, London.....	1,069	64	89	8.3
Fidelity and Casualty, New York..	7,287	2,675	2,675	36.7
Maryland Casualty, Baltimore.....	1,982	1,433	1,694	85.4
Metropolitan P. G. & Cas., N. Y..	67	.....	.....	....
New Amsterdam Casualty, N. Y....	60	.....	.....	....
Ocean Accident & Guar., London.	224	241	241	107.6
Pennsylvania Casualty, Scranton...	2,332	1,807	.....	77.5
Preferred Accident, New York....	1,140	857	907	79.6
Standard Life & Accident, Detroit.	1,017	532	.....	52.3
Travelers, Hartford	892	853	853	95.6
U. S. Casualty, New York.....	5,757	2,116	2,116	36.7
Totals	25,019	12,190	10,219	40.9
<i>Plate Glass.</i>				
Fidelity and Casualty, New York..	1,874	345	345	18.4
Lloyds Plate Glass, New York....	1,434	285	343	23.9
Maryland Casualty, Baltimore.....	793	228	228	28.7
Metropolitan P. G. & Cas., N. Y..	1,867	513	431	23.1
New Amsterdam Casualty, N. Y....	152	.....	.....	....
Pennsylvania Casualty, Scranton...	242	55	.....	22.7
Totals	6,362	1,426	1,347	21.2

* Includes health. ‡ Ratio losses paid to premiums.

MISCELLANEOUS INSURANCE BY STATES.—Continued.

NAME AND LOCATION OF COMPANY.	Premiums Received.	Losses Paid.	Losses Incurred.	Ratio of Losses Incurred to Premiums.
SOUTH CAROLINA—Cont.				
<i>Steam Boiler.</i>				
Fidelity and Casualty, New York..	2,937	70	70	2.3
Hartford Steam Boiler, Hartford..	12,790	4,727	50	.3
Maryland Casualty, Baltimore.....	764	.....	.....	....
Ocean Accident & Guar., London..	.....	1,501	1,501	....
U. S. Casualty, New York.....	40	.....	.....	....
Totals	16,531	6,298	1,621	9.8
Aggregates (South Carolina)...	204,867	91,102	77,910	38.0
SOUTH DAKOTA.				
<i>Accident.</i>				
Ætna Life, Hartford	1,801	366	427	23.7
Continental Casualty, Chicago*...	11,689	2,993	3,373	28.9
Employers Liability, London.....	84	.....	75	89.3
Fidelity and Casualty, New York..	1,221	200	200	16.4
Great Eastern Cas. & Ind., N. Y..	350	.....	.....	....
Maryland Casualty, Baltimore.....	1,811	698	698	38.5
Metropolitan P. G. & Cas., N. Y..	27	23	83	307.4
North American Accident, Chicago	4,761	1,044	1,134	23.8
Pacific Mutual, San Francisco.....	771	46	46	5.9
Standard Life & Accident, Detroit.	6,715	1,265	.....	118.8
Travelers, Hartford	7,804	2,773	2,773	35.5
U. S. Casualty, New York.....	6	.....	.....	....
Totals	37,040	9,408	8,809	23.8
<i>Burglary.</i>				
Ætna Indemnity, Hartford.....	145	2,500	2,500	1724.2
American Bonding, Baltimore.....	10	.....	.....	....
Fidelity and Casualty, New York..	2,986	2,727	2,727	91.3
Maryland Casualty, Baltimore.....	2,321	2,867	2,992	128.8
U. S. Fidelity & Guar., Baltimore.	1,664	.....	.....	....
Totals	5,026	8,094	8,219	163.5
<i>Employers Liability.</i>				
Ætna Life, Hartford	158	.....	.....	....
Employers Liability, London.....	.....	2,947	2,947	....
Fidelity and Casualty, New York..	98	135	135	137.8
Maryland Casualty, Baltimore.....	1,031	.....	.....	....
Travelers, Hartford	129	.....	.....	....
Totals	1,416	3,082	3,082	217.6
<i>Fidelity and Surety.</i>				
Ætna Indemnity, Hartford	972	.....	.....	....
American Bonding, Baltimore.....	305	1,035	.....	339.4
American Surety, New York.....	2,321	906	37	1.6
Empire State Surety, New York..	151	.....	.....	....
Title Guar. and Trust, Scranton...	1,344	.....	.....	....
U. S. Fidelity & Guar., Baltimore..	6,051	.....	.....	....
Totals	11,144	1,941	37	.3
<i>Health.</i>				
Ætna Life, Hartford	17	.....	.....	....
Employers Liability, London.....	5	.....	.....	....
Fidelity and Casualty, New York..	103	.....	.....	....
Maryland Casualty, Baltimore.....	120	150	150	125.0
Standard Life & Accident, Detroit.	543	130	.....	23.9
Travelers, Hartford	348	526	526	151.2
Totals	1,136	806	676	59.5
<i>Plate Glass.</i>				
Ætna Indemnity, Hartford.....	232	55	55	23.7
Fidelity and Casualty, New York..	107	169	169	157.9
Lloyds Plate Glass, New York....	2,037	1,191	1,144	56.1
Maryland Casualty, Baltimore.....	651	203	203	31.2
Metropolitan P. G. & Cas., N. Y..	1,729	494	531	30.7
New Jersey Plate Glass, Newark...	422	28	28	6.6
Totals	5,178	2,140	2,130	41.1
<i>Steam Boiler.</i>				
Fidelity and Casualty, New York..	86	.....	.....	....
Hartford Steam Boiler, Hartford...	2,787	.....	.....	....
Totals	2,873	.....	.....	....
Aggregates (South Dakota)...	63,813	25,471	22,953	36.0

* Includes health. ‡ Ratio losses paid to premiums.

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THURSDAY, AUG. 2, 1906.

No. 5.

PUBLIC ACCOUNTANTS AND LIFE INSURANCE.

EVER since the investigations of life insurance companies began some public accountants have manifested an extreme anxiety to be employed in the work of examining them. The housecleaning committee of the Equitable engaged several to go over the records of that company, and later the Mutual and the New York Life also employed public accountants to go over their records. Under the circumstances this was justifiable, for the reports of examinations made by the Insurance Department had been discredited by much adverse criticism, and the exposure of irregularities in the management of the companies had brought about a hysterical condition of the public mind so that an overhauling by outside disinterested persons was deemed necessary. The gentlemen employed by the companies were unquestionably experts in examining accounts, and their reports corroborated the reports of the Insurance Department and declared the companies to be entirely solvent and able to carry out all their contracts. This work cost the companies hundreds of thousands of dollars, which is paid, of course, out of funds belonging to the policyholders. But for the hostile attitude of the public towards the companies at the time the services of these accountants would have been superfluous, and the many thousands of dollars paid them would have been saved. Such high-priced labor may be justified for once in an emergency, but it is altogether too rich for a steady diet.

The taste that the public accountants have had of this kind of work, and the fact that the life insurance companies are easy marks and prompt paymasters, has created an appetite for more among them, and they are now seeking to have life insurance companies required by law to submit annually to independent auditing by public accountants. The American Association of Public Accountants has taken the matter up and will urge the National Association of Insurance Commissioners to aid in securing the necessary legislation to give the accountants this job and saddle the companies with the additional expense. The insurance laws of the several States already clothe the State insurance officials with all the authority necessary to enable them to go to the very root of all company transactions, and if they are given the proper

assistance they can be as thorough as any public accountants can be. They are sworn officers, accountable to their superiors and the public, while the independent accountants are accountable to no one and have no responsibility beyond collecting the amount of their bills. The enactment of such laws as they desire would be in effect the creation of a second insurance department to secure permanent jobs for men whose services are wholly unnecessary. It is no disparagement of the ability of the public accountants, as a rule, to say this, for they can render good service undoubtedly in paths where they are wanted, but the insurance business, already under the supervision of some fifty different Insurance Departments, certainly does not require this additional supervision, with all the annoyance and expense that would attach to it, and besides the amounts which the insurance companies annually contribute to the support of the Insurance Departments is more than sufficient to provide for the cost of the most elaborate auditing scheme that can be devised.

PROPERTYOWNERS are exceedingly critical just now regarding their fire insurance policies, and especially anxious to know the financial standing of the companies whose policies they carry. Large insurers have been content heretofore to leave the matter of their insurance in the hands of their brokers, but since the California disaster more than one broker has been called to a private interview with his principal and requested to revise his list of policies that he had placed for the firm, and explain how the companies stand at the present time. Owners of property, whose business prospects and commercial credit are largely dependent upon the character of the insurance they carry, cannot afford to pay for policies in any but companies whose solvency is above suspicion, and the immense losses of the companies in the California conflagration excites a desire to know how each company interested comes through this unexampled ordeal. The companies at this time are completing their semi-annual statements, showing their financial condition up to date, and nothing is better calculated to relieve the anxiety of insurers than the publication of these statements. In THE SPECTATOR of this week will be found several such statements of different companies, to which we desire to direct attention. While they have met with exceptional losses, they still show their ability to meet all losses that may occur, and that they are entitled to the confidence of the public to the fullest extent. There is nothing like publicity, full and frank, to catch the attention and confidence of the public.

ONE of the most important and valuable features of the volume of The Insurance Year Book devoted to life, casualty and miscellaneous insurance, is the section devoted to the business of the various companies in the several States of the Union. This department occupies eighty pages, of which twenty-five relate to life insurance and fifty-five to casualty and miscellaneous companies. The compilation of this valuable aggregation of statistics involves an enormous amount of work and correspondence with the several insurance companies and State officials, in order to make it as accurate as possible, and its value is enhanced by the fact that

nowhere else is the information to be obtained in such complete detail. During the past few months the bulk of this information has, at considerable expense, been printed in the columns of THE SPECTATOR, but now that The Year Book is ready for distribution our readers are referred to that work, where they will find the tables in complete form and in a shape more convenient for ready reference. The columns of THE SPECTATOR, up to the issue of last week, have contained all the figures from the various States in connection with the life insurance business, with the exception of some corrections made subsequent to the date of publication, while the figures for casualty and miscellaneous companies have been also given, except for the following States and Territories, all of which will be found in The Year Book: Hawaii, Oklahoma, Tennessee, Texas, West Virginia, Wisconsin and Wyoming. This department, which is only one of many in The Insurance Year Book, will be found worth many times the cost of the book, \$5 per copy.

ONE of the plainest lessons of the great San Francisco conflagration, and its consequences to individual fire insurance companies, is that some reasonable restriction must be placed upon the insurance to be written in a single city, or, at least, in any given conflagration district. Careful inspections have been made of many of the larger cities, with a view to determining their respective conflagration hazards, and the particular districts especially exposed to the danger of sweeping fires. A fairly safe rule might be to limit a company's writings in any one city, or in any one conflagration district, to an amount equal to its capital and surplus. This plan would practically forestall the possibility of a single fire placing a company in the position of being unable to meet just claims for either losses or unearned premiums; and would further limit the amount which it might become necessary for stockholders to contribute, in order to continue business, to the amount of capital required. This conservative course would, it thus appears, be beneficial to both the company and its customers following a conflagration in which it was involved; and even though it somewhat decreased profits in good years, it would tend to the permanency of the company, a steady business, and the ultimate advantage of stockholders.

IT will be of great importance, from now on, for purchasers of fire insurance to exercise unusual care in the selection of companies in which to carry insurance. Numerous companies are declared to be virtually insolvent at the present time, but that the State Insurance Commissioners are carrying them along in the hope that their stockholders will come to their rescue, or in some way they will be enabled to pull themselves out of the hole in which the San Francisco disaster has placed them. Before the end of this year, it is feared that the list of companies forced out of business by their San Francisco losses will be materially lengthened; and it is no secret that many other companies have been so badly crippled that they will feel the effects for years. It therefore behooves policyholders to keep posted as to the condition of the companies in which they are particularly interested, and thus, perhaps, save themselves from loss.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The official figures of the companies were distributed by the Insurance Department on Monday last, showing the amounts involved in the San Francisco conflagration, the reinsurances, estimated salvage and net loss, according to the latest returns. The principal figures had been given out already to the daily papers, and the public were quite familiar with them. The current opinion, even among the reporting companies, is that the estimated salvage in ninety per cent of the cases reported is a delusion—that not one-third of the estimates will be realized. The absence of coinsurance, together with the enormous disparity between values and insurances and the disappearance of every vestige of value in stocks of merchandise, made it certain from the start that the companies would be disappointed. The lines on buildings gave some promise of salvage, apart from earthquake damage, but the remarkable discrepancy between the values claimed and insurance proved, destroyed that hope long ago.

The most extraordinary predictions are received by mail and verbally from the adjusters at work on the losses as to the condition of various companies which still put up a bold front. Whether these predictions come true or not, there can be no doubt that such impressions prevail as to create doubt and distrust relative to the ultimate end of the loss settlement of several companies. If the authors of the statements which are now circulated have any facts upon which to base their predictions, they should hand them out and cease to send out rumors.

It is a subject of severe criticism that the rates in the West have not been advanced generally since the San Francisco fire. Great professions were made of what the governing committee of the Western Union intended to do, and of orders from headquarters to pack up rates all around. Apparently it was reserved for the East to carry out the increase in a solid way. The advance in this city, followed by Boston, Philadelphia and other cities, was an earnest endeavor to give the companies a chance to recoup their depleted reserves. The West has fallen short of its duty.

The announcement is made that a new fire insurance company is organizing in Paterson, N. J. There is abundant capital for the purpose in Paterson, and the local demand should give a new company a handsome start.

E. R. Kennedy of Weed & Kennedy left for Europe on the "Baltic" yesterday. He is expected to return about the 5th prox. His new project, the General Insurance Company, is fully subscribed to, and will be put into active operation immediately on his return.

The policies of the Home Fire and Marine of San Francisco are being turned into the company's agencies quite rapidly. There is no pretense of paying return premiums at the New York office. Several brokers, who recalled Home policies the last week in April, were so confident that the Home would pull through in consequence of the pledge of the Firemens Fund officers, that they returned the policies to their customers and marked them O. K. They are now doubly embarrassed.

Reinforced concrete seems to be in the field as a rival of asbestos and hollow tiles for buildings. It meets with favor among underwriters, and several contracts for mercantile buildings of this material are reported.

CHICAGO AND THE WEST.

At an all-day session of the governing committee of the Western Union, complaints that rate cutting by some of the companies had become worse since the San Francisco fire were given detailed consideration. Members of the committee say that such complaints are becoming fewer, and that the companies responsible for such criticism have usually been among those who were hit so hard by the San Francisco disaster that they have abandoned "the rules of the game" as understood in insurance circles. The governing committee has been revising its statistics on the unprofitable classes and will make known its new figures in a few days. In the first report, issued in June, the

experience of all the companies on all the classes was not given. In the latter report all the classes will be included.

Twenty-five fire insurance agents of Hammond, Whiting and East Chicago, representing the non-Union agents, met at East Chicago the other day and refused to accept the advance in rates proposed by the Western Union.

Mayor Dunne is eager to have the double platoon system started in the fire department as early as possible, and will endeavor to find some way to institute the new system when the additional 139 new men are added to the department this week. "I think the double platoon system should be established as soon as we are able to do it; if not in each company at least by battalions," the Mayor stated.

BOSTON AND VICINITY.

At a special meeting of the Boston Board of Fire Underwriters, Thursday, called to consider the question of increasing rates in the suburban districts, no decision was reached. It appears that there was considerable opposition, on the part of underwriters themselves, to taking the step in question. It was proposed to make an advance of fifteen per cent in the suburbs, to correspond to the advance in Boston.

It is not at all unlikely that, at an early meeting of the New England Insurance Exchange, the question of advancing rates on summer cottages and residences will come up for serious discussion. This proposition is being worked up in certain quarters, and there seems to be quite a consensus of opinion that a material advance on that class of risks is necessary. The proposition is that an advance be made only on summer residences valued at \$5000 and upwards. Recent fire experiences in connection with such property will go far to justify an advance in rates.

Inspector Barker, of the National Board of Fire Underwriters, is making a very thorough inspection of the fire department of Cambridge.

William Wadsworth, of the agency of H. G. Fairfield, has been appointed New England agent of the North River, Nassau and Jefferson fire insurance companies.

Walter Adlard has been appointed special agent for New England of the Fidelity Fire Insurance Company of New York.

At a special meeting of the Connecticut Business Men's Association, held in New Haven, Wednesday night, it was voted to request the New England Insurance Exchange to send representatives there early this month—August—to discuss the question of the advance in rates.

NOTES FROM PHILADELPHIA.

Arthur R. Drake has paid the costs and expenses of the suit, brought by the Fire Association of Philadelphia against him for \$10,000 damages, growing out of a letter which he recently sent to various parties soliciting business for some mutual companies which he represents, and which contained statements about the Fire Association which were considered as a reflection on its standing. Mr. Drake has promised to send to each of the parties to whom the first letter was sent a copy of one which he last week addressed to President E. C. Irvin of the Fire Association, disclaiming any intention of giving the impression that the Fire Association is financially embarrassed or insolvent or dishonestly managed, and regretting that any such construction has been put upon his letter of July 5, 1906. The Fire Association has withdrawn its suit.

Among the proposed amendments to the charter of the Franklin Fire Insurance Company, to be voted upon at a stockholders meeting to be held on September 10, is one authorizing the company to transact marine insurance. It has been erroneously stated that the company is preparing to open a marine department following the adoption of the said amendment. This the management states is not a fact, nor is such a move contemplated in the near future.

S. D. Hawley & Son succeed Stokes & Packard as agents of the Western of Toronto.

At a meeting of the directors of the Girard Fire and Marine Insurance Company, held last week, it was decided to recommend to the stockholders that the company issue 2000 shares of new stock, par \$100,

at \$300 per share. Of the \$600,000 thus realized it is proposed to add \$200,000 to capital and \$400,000 to the surplus. The stockholders will meet in October to vote on this plan. Six shares of the capital stock of the Girard sold at auction last week at 327½ per share.

THE INSURANCE YEAR BOOK FOR 1906-1907.

THE thirty-fourth annual issue of The Insurance Year Book has just been published by The Spectator Company, representing a vast amount of data regarding the insurance business, with a number of valuable improvements over previous editions. The Insurance Year Book is published in two volumes, one being devoted to life, casualty and miscellaneous insurance, the other to fire and marine insurance, both of which are recognized as standard authorities in their several fields, and indispensable to every insurance man as works of reference. An abridged summary of the contents is herewith appended.

THE LIFE, CASUALTY AND MISCELLANEOUS VOLUME.

Some 950 pages are devoted to the data relating to life, casualty and miscellaneous insurance, all of which is carefully compiled from authoritative sources. The first section of the volume deals with the statutory requirements of the several States and Territories, giving a synopsis of the laws relating to the admission of life, casualty and miscellaneous companies, as well as assessment organizations and fraternal orders. The next section deals in an exhaustive manner with the transactions of foreign companies, showing in comprehensive form details of the business of life and casualty companies throughout the world. Canadian insurance interests are handled in a special department, covering the entire range of the business in the Dominion for a period of ten years.

The tremendous business transacted by the life insurance companies of the United States is analyzed from every point of view in a most elaborate series of tables, permitting comparisons of transactions from year to year. Among these tables may be mentioned the aggregates for each of the forty-seven years of the existence of the Insurance Department of the State of New York; payments to policyholders and accumulations for their benefit; the growth of industrial insurance; dividends paid to stockholders; also tables of percentages showing the rate of interest earned, expense rate and termination by surrender and lapse for a period of twenty years. These tabulations are of great interest, and instructive to all engaged in the life insurance business.

A valuable department of this volume of The Year Book is that given under the heading of life insurance history, and occupying upwards of 115 pages. In that department are shown the figures of all existing level premium companies of the United States, numbering over one hundred and thirty, year by year since organization, and covering the principal items of their annual statements. Much of the data given relating to the earlier years of many of the older organizations is unobtainable through any other work, and the whole constitutes a complete history of the business during the past sixty years. The life insurance compendium comprises a section of about one hundred pages, giving an analysis of the statements of the life insurance companies for the past two years in a most comprehensive manner. No State Department covers all the companies of the United States and The Insurance Year Book is the only publication that supplies full details of the official annual reports of every company from the smallest to the largest. The department of life insurance by States covers the transactions of the individual companies in each State and Territory for the past year, and is a feature of great interest, showing, as it does, the distribution of life insurance throughout the country. Other important and valuable features of this volume are given under the headings of the gain and loss exhibit for 1905, retired companies, directors, life underwriters organizations and list of actuaries, while the record of the year shows in handy form the numerous changes in companies and in company officials. A department covering many pages is devoted to important particulars relating to stipulated premium companies, assessment associations and fraternal orders, including also assessment accident and sick benefit societies, the statistics covering two years.

The section devoted to casualty and miscellaneous insurance is very

complete, showing the statistics of the business by individual companies for the past ten years, also the business of each company in the several States and Territories during 1905, and the dividends paid to stockholders for twenty-five years. There is included also a list of the directors of the various companies and an extensive list of field men with their several locations.

THE FIRE AND MARINE VOLUME.

The fire and marine volume of The Insurance Year Book is this year larger than ever before, comprising about 1400 pages of valuable information, any department of which is likely to be referred to at any moment by the live underwriter. Every manager and general, special or local agent has many questions arise in the course of a year, to which an immediate answer is required, and the solution of which is presented in one of the numerous divisions of The Insurance Year Book. It is, of course, impossible to know in advance just what data will be needed, nor when it will be wanted; but it is a very convenient thing to have a compendium of insurance statistics and other information at hand whenever the necessity for it arises. It is therefore desirable to procure a copy at the time of publication, in order to avoid delay and to be certain of having the volume at hand when wanted.

The most important innovation in the 1906-1907 fire and marine volume is the presentation of detailed statements of the respective fire and marine insurance companies, etc., in the department entitled, "Reports of Fire Insurance Companies." Included in this department are the following groups of institutions: American Stock Fire and Marine Insurance Companies (licensed); Foreign Fire and Marine Insurance Companies (licensed in the United States); American Mutual Fire and Marine Insurance Companies; Underwriters Agencies; Lloyds and Reciprocal Underwriters Associations; Unlicensed American Fire Insurance Companies; Unlicensed Foreign Fire and Marine Insurance Companies, and data concerning each company are segregated, so that practically all desired information relating to a single company may be found by one reference. Some of the information thus given is mentioned below: Company officials, directors and general and special agents, with the territory covered; tabulation of the principal items of the statements for five years (mutual companies, three years); financial statement, as of December 31, 1905, showing character of assets and liabilities, with the amount of each class; risks and premiums in force; business since organization; descriptions of real estate holdings, with more or less detail as to cost, market values, etc.; descriptions of mortgage loans; details of securities for collateral loans; list of bonds and stocks owned, with par and market values; data concerning San Francisco conflagration losses, and consequent capital and surplus contributions, etc.

One of the most valuable departments of the 1906-07 volume is that devoted to Fire Departments and Water Supply. This division alone occupies over 500 pages, and contains voluminous details concerning the fire protective equipment of about 4500 different cities and towns in the United States and Canada. This section of the book is the only comprehensive compilation of its kind, and is recognized as a most useful guide to those desiring to ascertain the extent of the protection of the respective cities and towns.

Among the other departments are a list of surplus line companies and brokers, with the names and addresses of parties furnishing the policies of the respective companies; short rate cancellation tables in use in various sections of the country; premiums and losses in New York city for a series of years; statistics of fires in American cities; a list of State insurance officials, and dates of next sessions of State legislatures; list of automatic sprinklers and their manufacturers; companies writing tornado insurance; risks written and in force; National Board tables of risks, premiums, losses, expenses, taxation, ratios, etc.; par, book and market values of insurance companies stocks, with yearly dividend rates for twenty-five years; a list of companies which have retired in the last half century, and a list of those in the hands of receivers, with the names of the latter; a list of underwriters' organizations in all sections of the country, with their officers' names, etc.; data concerning fire insurance companies in foreign countries, compiled from special reports and other sources; a chapter devoted to insurance in Canada, and tabulations of the home office statements of British and other foreign companies for 1905.

The book also contains a directory of insurance agents throughout the United States and Canada, arranged by States and towns, which occupies about 200 pages, four columns to a page. This list, which is revised yearly, indicates the classes of business handled by each agency. There are also lists of independent fire loss adjusters, and a list of specially qualified insurance lawyers.

Other features of the fire and marine volume are a brief history of the Baltimore conflagration of 1904, including the losses sustained by individual companies therein, and a similar compilation relating to the great earthquake and conflagration at San Francisco in 1906; a list of large fires in the United States and Canada from 1700 to 1906, and a record of the year to June 15, embracing official changes, deaths, new companies, etc. The whole work is fully indexed; and no insurance library is complete without it—in fact, it should find a place on the desk of every fire underwriter in the country.

The Insurance Year Book sells at \$5 per volume, singly, or at \$8 for the two volumes, if ordered together. All orders should be addressed to The Spectator Company, 135 William street, New York, and will receive prompt attention.

THE WEST.

Ohio Observations.

[FROM OUR OWN CORRESPONDENT.]

The old rates in the downtown district of Cleveland have been declared off by the Cleveland Inspection Bureau on account of the action of a number of merchants in demanding that their insurance be canceled at short rates and rewritten for a year, in order to escape the advance. New rates will be published as rapidly as possible and agents who have unrated risks expiring may have them rated at once under the new schedule by applying to the office.

Wm. B. Maxson & Co. have been appointed sole agents of the Georgia Home for Cleveland, and Ben Clemmens will represent the company at Cincinnati. It has just been admitted to the State.

A few days ago the stockholders of the American Railway Insurance Company voted to make the capital stock and surplus \$500,000 each. This will allow the company to carry larger lines and take care of business in a better manner every way. It is probable now that no business will be done until the first of the year, as the management does not care to make a record of two or three months in the State reports.

Governor Harris has asked Superintendent of Insurance Vorys to retain his position during the present administration and Mr. Vorys has promised to do so.

The prospectus of the Cannons Mutual Insurance Company has been received by men engaged in the canning business in this State.

The Dayton Mutual Fire Insurance Company of Dayton has been incorporated by B. C. Coleman and others.

Fire Marshal D. S. Creamer is said to have assured a committee of fire insurance men who called upon him that he would make no more changes in the personnel of his office force for some time to come, at least. Mr. Creamer recently announced almost a clean sweep of the Republicans in the office.

The inspection of Sandusky by the Ohio Fire Prevention Association is said to have resulted in the discovery of little that is really bad. Some suggestions have been made, of course, and improvements in risks have followed.

George Velten Steeb, special agent of the Continental for Eastern Ohio, and John Monroe, for the Western portion of the State, will act in the same capacity for the Fidelity Fire which has recently been admitted to the State. Mr. Steeb has already appointed ten or twelve agents.

T. C. Parsons, formerly general agent of the Western of Pittsburg, has been appointed special agent of the Allegheny for Ohio and Michigan, with headquarters in Cleveland.

It is probable that the advance in rates will be put into effect in Cincinnati in August, and that work will begin under the new schedule in Columbus within a short time. Manager Patton of the Cleveland Inspection Bureau has been making out the new rates in the congested district of his city and hopes to finish the work by September 1. The advance is heaviest on stocks, both wholesale and retail, ranging all the way from twenty-five to one hundred per cent. Improvements in the physical condition of risks, however, will result in a reduction of these rates to some extent, although they will still be much higher than before.

Work on the new high-pressure water pipes was begun in Cleveland a few days ago. It is expected this will be completed this fall, and better protection will be afforded.
O. M. C.
Cleveland, July 28.

—The Shawnee Fire of Topeka has appointed the Imperial Fire of Denver, Col., general agent in Colorado, Wyoming and New Mexico.

—By the recent death of Samuel E. Carey, president of the Iowa State of Keokuk, Iowa loses a veteran fire underwriter and a public-spirited and upright citizen. His loss is mourned by a wide circle of friends.

—The Church and Dwelling House Underwriters, a side issue of the Union of Philadelphia, is planting agencies in the West. John A. Pentland & Co. of Cincinnati have been appointed general agents for Hamilton county, and Walter C. Farrar, special agent for Southern Ohio. Henry P. Magill, secretary of the National Mutual Church of Chicago, is general agent for the entire country.

—The Michigan Supreme Court recently handed down a decision holding the policyholders of the Citizens Mutual Fire of Jackson liable for losses aggregating over \$25,000, including expense of receivership since 1900. This decision sets aside a by-law of the company which limited the amount of the assessment which could be imposed. Many policyholders who left the company before it became insolvent must stand an assessment.

THE SOUTH.

—The Insurance Company of the State of Pennsylvania has been admitted to Kentucky.

—J. Ramsay Barry & Co. of Baltimore have been appointed agents of the Fidelity Fire of New York.

—The Star Fire of Louisville has filed articles of incorporation increasing its capital stock from \$200,000 to \$300,000.

—G. C. Long has been appointed special agent of the Home of New York to assist State Agent Leon Dargan in Texas.

—R. Gordon Williams is general agent of the Guardian Fire of Pittsburg for Maryland, and not Harry L. Riall, as was inadvertently stated.

—John M. Watkins, West Virginia special agent of the Continental and the Fidelity Fire, has become special agent for the two companies in Louisiana and Mississippi, with headquarters at New Orleans.

—Walter D. Maillot, Texas special agent of the New York Underwriters Agency, and T. L. Monhagan, Texas special agent of the Phoenix of London, have gone to San Francisco to assist in adjustments.

—Frank May, special agent of the Continental and the Fidelity Fire in Central and Southern Illinois, has been transferred to Kentucky, where he will cover Central and Eastern Kentucky, with headquarters at Lexington.

—The Florida Supreme Court has rendered a verdict in favor of Robert Mugge, a Tampa brewer, who sued the Waterworks Company for failing to supply sufficient water pressure to extinguish fires. Mugge claimed \$25,000 for loss of a building, and the Circuit Court decided against him. He took an appeal to the Supreme Court, which decided that the Waterworks Company is liable, and remanded the case for further proceedings.

MISCELLANEOUS FIRE NEWS.

Fire Protection of Cities and Towns.

Especial attention is being directed at the present time to the means at hand in the various cities and towns for protection against disasters by fire. Following the great conflagration in California are the reports of daily losses in every section of the country, exceeding the average of previous years, until it is not surprising that fire underwriters are discouraged at the situation and that advances in rates are made necessary. Those places that refuse or neglect to provide adequate means of fire protection should be penalized by having their insurance rates advanced to a point that would compel attention to so vital a matter.

The Spectator Company has for thirty years been engaged in the work of compiling statistics showing how the cities and towns of the country are provided with water supply systems and apparatus to make such supply available in case of fire. These statistics are printed annually in The Insurance Year Book, corrected to date. In The Year Book for the present year, reports are given for 5000 places having 1000 inhabitants or more, and it is believed that the list includes every place of that size in the country. In addition there are given reports from many smaller places that have some fire apparatus, but no organized force of firemen, making about 500 more places reported upon than heretofore. Many places are also listed that have no means of extinguishing fires. These statistics are compiled with great difficulty, but persistent application to the work year after year has made the present records the most complete ever issued. The information given states the general character of the buildings, fire preventive ordinances in force, the source of the water supply, capacity of the works, method and

extent of distribution, and the kind and quantity of fire extinguishing apparatus owned, etc. This information is invaluable to fire underwriters, enabling them to judge whether or not the risks in a given locality are desirable for their companies to write. The Insurance Year Book is a volume of nearly 1400 pages, and contains much other information indispensable to progressive underwriters. The work is now ready for delivery, and will be sent to any address on receipt of the price, which is \$5 per copy.

Milwaukee Mechanics Insurance Company.

The semi-annual statement of the Milwaukee Mechanics as of July 1, 1906, shows assets amounting to \$2,397,070; a reinsurance reserve of \$1,475,495, and a net cash surplus of \$327,915. Its schedule of gross assets on that date aggregated \$3,931,883, from which was deducted \$1,436,019 for California conflagration and other claims as of April 21, 1906, and \$98,794 reserve retained for reinsurance company, leaving net cash assets as above stated, \$2,397,070. This amount, including net surplus \$327,916 are held by the company for the protection of its present and future policyholders, and is free and clear of any and all claims arising out of, or caused by, the California conflagration.

The officers of this staunch Western company are: William L. Jones, president; Charles H. Yunker, first vice-president; G. W. Grossenbach, second vice-president; Oscar Griebing, secretary, and Emil Teich, assistant secretary.

Western Insurance Company, Pittsburg, Pa.

As of June 30, 1906, the Western of Pittsburg publishes a financial statement showing handsome advances since January 1. Its assets on June 30 amounted to \$712,462—an increase of nearly \$60,000; its reinsurance reserve was \$287,853—an increase of about \$16,000; and its net surplus was \$102,614—a gain of over \$30,000. The company was fortunate in sustaining no loss by the San Francisco conflagration. It is the oldest fire insurance company in Pittsburg, having been incorporated in 1849, its losses paid since then having amounted to \$3,924,782, and its dividends having aggregated \$1,257,250. The Western is conservatively extending its agency plant and desires to secure agents in favorable localities. Its officers are: President, John B. Jackson; vice-president, Frank Semple; secretary, D. Dallas Hare; assistant secretary, Lloyd V. Watkins.

Michigan Fire and Marine Insurance Company.

The semi-annual statement of the Michigan Fire and Marine as of July 1, 1906, shows that on that date the company possessed total cash assets amounting to \$1,292,974, an increase since December 31, 1905, of \$205,754. Its net surplus, after providing for all claims, including the losses incurred by the San Francisco conflagration, was \$160,930. As the company's capital is \$400,000, a surplus as to policyholders is shown amounting to \$560,930. Since the organization of the Michigan Fire and Marine in 1881, it has paid over four and a half million dollars in losses, and received in premiums over eight and a half million dollars. The executive staff of this company is as follows: D. M. Ferry, president; F. H. Whitney, vice-president; E. J. Booth, secretary, and E. P. Webb, assistant secretary. T. Y. Brown & Co. of New York are its general agents.

Virginia State Insurance Company, Richmond, Va.

Gratifying gains are shown by the semi-annual statement of the Virginia State Insurance Company, the reserve having increased \$29,000, and the assets having been augmented about \$26,000. The company's resources now aggregate \$744,854; its capital is \$200,000; its unearned premiums amount to \$293,840, and its net surplus being \$123,355, thus making the surplus as to policyholders \$323,355. The company owns a fine line of United States Government, State and city bonds, and Richmond bank stocks, and carries a good cash balance. It was organized in 1865, and has since paid over \$3,200,000 of losses. Geo. L. Christian is president of the company, and Robert Lecky, Jr., is its vice-president and secretary.

Commercial Union, Palatine and Alliance Assurance Companies, London.

The position of the Commercial Union, Palatine and Alliance of London regarding policies involved in the San Francisco conflagration has been officially announced by the companies' attorneys. The companies hold that there was extended damage resulting from the earthquake and

that it can be easily established that fires which destroyed the greater portion of the city were caused directly or indirectly by the earthquake. Had there been no earthquake, there would have been no conflagration, and consequently San Francisco would not have been destroyed. In the light of adjudications of American courts, the meaning and legal effect of policy exemptions have been clearly settled, and ultimately it must be held that claims for fire resulting directly or indirectly from earthquake are not within the protection of policy contracts containing earthquake clauses.

German Insurance Company of Freeport, Ill.

Since the first of the year, this staunch old company is shown, by its semi-annual statement, to have added over \$800,000 to its assets, which on July 1 amounted to \$6,973,404. Of this sum, \$1,640,363 was cash in banks and office, while city, town, county and corporation bonds and stocks made up \$528,103 of the remainder, so that the company is in excellent position to meet its San Francisco and other losses as fast as adjusted. After making provision for all outstanding losses (estimated at \$2,111,245) and all other liabilities, inclusive of \$200,000 capital, the company had a net surplus of \$810,423. The officers of the German are: President, C. O. Collman; secretary, Fred M. Gund.

Milwaukee Fire Insurance Company, Milwaukee, Wis.

The Milwaukee Fire presents a semi-annual statement which is indicative of excellent progress on the part of that company. Its assets on July 1 last amounted to \$801,963 (exclusive of reserve retained for reinsurance company, \$17,647); and, despite the fact that its San Francisco losses required the reservation of \$185,507, the company shows a net surplus of \$95,401, or only about \$60,000 less than on the first of the year. The unearned premium fund has increased more than \$18,000 since January 1, showing a healthy growth in the volume of business. The company wants agents in all desirable locations. Wm. L. Jones is president, John C. Dick is vice-president, H. A. Nolte is secretary, G. W. Grossenbach is assistant secretary, and Chas. H. Yunker is treasurer of the Milwaukee Fire Insurance Company.

Teutonia Insurance Company, New Orleans, La.

In the financial statement of the Teutonia of New Orleans, as of June 30, assets amounting to \$1,115,020 are shown, with liabilities, including \$328,596 reserved for San Francisco and all other losses, amounting to \$782,045. As the capital is \$250,000, this leaves a net surplus of \$82,975, and a surplus as to policyholders of \$332,975. Notwithstanding the heavy conflagration loss, which is duly provided for in the statement, the company's surplus has only declined about \$54,000 since January 1, while its assets have increased over \$200,000, the stockholders having contributed liberally toward meeting the extraordinary losses. The officers of this reliable company are: President, Albert P. Noll; vice-president, Samuel Hyman; secretary, Frank Langbehn.

VARIOUS ITEMS.

- The Milwaukee Mechanics of Milwaukee has withdrawn from California.
- The Glens Falls has declared a semi-annual dividend of fifteen per cent.
- The City of Pittsburg has declared a semi-annual dividend of five per cent.
- The retail grocers of Western Washington have organized the Inland Mutual Fire of Spokane.
- The North German Fire of Hamburg has reinsured its outstanding liabilities on the Pacific Coast with the National Fire of Hartford.
- The National of Allegheny has declared a semi-annual dividend of six per cent and an extra dividend of two per cent, payable on demand.
- The report of the Continental of New York to the Kentucky Insurance Department shows that its gross insurance involved in the San Francisco conflagration was \$2,741,887, and \$764,557 was protected by reinsurance, leaving a balance of \$1,977,330. Of this latter sum, \$1,124,688 of losses have been adjusted and paid, the salvage having been \$130,278 (11½ per cent), and the net amount paid \$994,410. On July 20 the company's unpaid liability was \$852,542, or, after deducting 10 per cent estimated salvage, \$767,288, net. Up to July 30 the Continental had not denied liability upon any claim, and no money has been paid in to increase capital or surplus.

Acknowledgments.

- Bound volume XIII., Insurance Herald, containing issues of January 4 to June 29, 1906.
- Moody's Manual of Railroads and Corporation Securities for 1906 has made its appearance, much enlarged and greatly improved in general scope. Its daily use by bankers, brokers and investors throughout the world proves its indispensability.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

On August 4 C. F. Sturhahn, manager of the Russia Fire and the Prussian Life, will leave for Europe in the interest of his companies.

George F. Baright, advertising manager for the Prudential Insurance Company, was married on July 11 to Miss Clara Sadie Margoles. Congratulations of a large circle of friends are extended to both.

At a meeting of the trustees of the New York Life last week the resignation of Oscar S. Straus was accepted. James H. Eckels and Julius Fleischman were elected to the board, while Seth M. Milliken and John Reid were nominated to fill vacancies. The company has decided to continue business in France, and will apply for registration under the new law, which law requires the deposit of the reserves in that country.

Emory McClintock, vice-president and actuary of the Mutual Life of New York, will sail from Europe for home on Saturday.

It is reported that a change in control of a life insurance company having its headquarters in New York city is imminent.

THE MIDDLE STATES.

—Lloyd G. Pierce has been made manager for Philadelphia and vicinity of the United States Life of New York.

—R. B. Cornish and E. B. Daniel of Newark and F. A. Morrison of Jersey City are among the big producers for the Mutual Benefit Life during the month of June.

—During the first six months of 1906 the Mutual Benefit wrote \$345,229 more new paid-for insurance than in the first six months of last year, although the company's business during 1905 was exceptionally heavy.

THE WEST.

—Frank P. Chapin, Indiana manager of the Columbian National Life, has resigned.

—John T. Boone, Jr., formerly with the Mutual Benefit at St. Louis, has been appointed manager of the Columbian National Life for Western New York, with headquarters at Buffalo.

—The Northern Life of Seattle, Wash., is reported to have been launched with a capital of \$125,000. Over half a million dollars of life, health and accident insurance is said to have been guaranteed.

—H. N. Higinbotham of Chicago, a former partner of Marshall Field & Co., is said to be promoting a new life company for which he claims to have received 100 subscriptions of \$2400 each as capital for the National Agency Company, which is to act as general agent for the life company. The stock is to be sold to policyholders.

—Steps are being taken to make the Endowment Rank, Knights of Pythias, a perpetual institution by the adoption of a scientific rating schedule. Anticipated legislation regarding fraternal has had much to do with this move. Actuary S. H. Wolfe is now making an examination of the order, and its experience has been thoroughly gone over.

—E. E. Rittenhouse, Deputy Superintendent of Insurance in Colorado, has issued his report on the State Life of Indiana, in which he holds that the estimates of profits used by the State Agency Company for the sale of stock were "impossible of realization, and therefore deceptive and fraudulent." He recommends that the agency corporation scheme for life insurance companies, especially mutual companies, should be discouraged as speculative and dangerous. His report is accompanied by one from S. H. Wolfe, consulting actuary, who justifies these conclusions.

—A meeting, fraught with the greatest importance for the fraternal world, was held last week in Chicago. Carrying out the instructions received from the supreme lodge two years ago, the board of control of the Endowment Rank, Knights of Pythias, and a special committee have been investigating the insurance branch with the idea of making it perpetual by the adoption of scientific methods. Probably no other fraternal is in the same excellent condition as the Rank for an undertaking of this stupendous work, for it has now over one and one-half million dollars for the protection of its members. The fact that these gentlemen have anticipated the probability of legislative enactments in the near future affecting the interests of fraternal orders, and their decision to make this investigation while the Rank is in such prosperous and excellent condition is an evidence of foresight rarely displayed by the management of fraternal orders. For over a year the board and committee have been investigating the situation with an idea that their results would be of service not only to the Endowment Rank, but also to all of the other fraternal institutions. It is expected that a

unanimous report will be presented for the consideration of the supreme body, which meets in New Orleans next October. S. H. Wolfe of New York, the actuary employed, who has had charge of the investigation, was in consultation with the committee.

—The Auditor of State of Indiana is still looking into the matter of special life insurance contracts, which are so common in that State. The La Fayette Life, which was recently organized, is now under investigation. This company has written a good many so-called special contracts, the first series of which was limited to 200 policies, the holder of each \$5000 policy being promised a pro rata share of \$1.50 on every premium that is received in the next twenty years. The second series contained 400 policies, and each holder was promised a pro rata share of each \$1 received in premiums for the next twenty years. The third series contained 2000 policies, and was similar to the second series. According to the rate book used by agents for the sale of this series, the estimate promises to carry a \$5000 policy for twenty years at a total cost of \$700, whereas the regular premium would be about \$2850. The Auditor's object in looking into these contracts is to protect people against such forms if they are of doubtful expediency.

THE SOUTH.

—The Insurance Commissioner of Kentucky has barred the further use of board contracts in that State.

—The Guaranty Life of Houston, Tex., has been licensed, and it will begin a life and accident business with a capital of \$100,000 and surplus of \$25,000.

—The Union Life Association of Dublin, Ga., has been chartered by the Secretary of State as an assessment association. The petitioners are J. W. Carter, M. C. Carter, J. G. Carter, E. L. New and J. D. New.

—The Georgia Senate has passed Senate bill No. 203, McHenry, which provides that the cost reserve on all life policies issued by domestic concerns shall be deposited with the State Treasurer in acceptable securities.

MISCELLANEOUS LIFE NEWS.

American Life Assurance Business in Great Britain.

[FROM OUR LONDON CORRESPONDENT.]

Continuing my resume of last week Mr. Haldeman's circular of the tenth of May last was followed towards the end of that month by a joint circular, signed by himself and by Henry Cockburn, life manager and actuary of the North British and Mercantile. This circular contained some very important paragraphs, important, that is, in view of their effect upon the circular of the tenth of May.

For instance, paragraph three of the later circular reads as follows:

Our company's offer, put forward by the policyholders' committee, was necessarily addressed to all Mutual policyholders, but it was made apparent that the opportunity to insure in the North British, at little or no loss, referred mainly to the large number of policies of relatively short duration, possessing certain guaranteed surrender values, and it was indicated that in other cases the insured, in transferring his insurance, might have to make some sacrifice. The North British has throughout recognized that in a number of cases the policyholder cannot transfer his insurance without appreciable loss, and has not hesitated so to advise him.

Again: In determining the conditions upon which Mutual policies may be transferred, the directors of the North British and Mercantile have, it need hardly be said, given due consideration to the interests of their present assured.

And still further: The sole object of the North British and Mercantile has been to allow each Mutual policyholder to determine whether he is or is not desirous on general grounds of leaving the American company; and if he is desirous, to afford him an opportunity of ascertaining whether he can do so upon terms sufficiently favorable to himself. It is reasonable to assume that each policyholder will have ample time to consider the situation by June 9, after which date the offer will therefore be withdrawn.

I am informed that the offer to accept transfers without medical examination was duly withdrawn on the date specified—although less publicity appears to have been given to the withdrawal than to the offer. But this, of course does not prevent the North British from dealing with any case "upon its merits," and in this way continuing to reap the advantages of its bold bid for business.

In my last communication I mentioned that at a meeting of policyholders in the Mutual Life, held in Birmingham on the twelfth ultimo, the committee had reported that one of the results of their inquiries from a number of British companies as to the terms they could offer to policyholders in the "Mutual" who decided to transfer their insurances, was to make it clear that the Mutual Company and the company taking over the business would alone benefit by transfer at the expense of the policyholders. This, as a general summary of the situation, admirably expresses the opinion held by many of the leading insurance authorities on this side, and it should, therefore, receive the prominence it deserves.

Circumstances, however, alter cases, and in the instance of the older policies there is, as was pointed out last week, a consensus of opinion

that it is the "Mutual" only who would benefit by the transfer, although, no doubt, in a way which is not exactly what it would desire. However, it is not the older policies which are being catered for to any extent.

As regards policies recently taken out, the terms offered by British offices aim at placing the policyholder as far as possible in the same position as that which he occupies with the Mutual.

In the extract from the circular given last week it will be seen that it was provided that the replacing policy should be subject to the "usual privileges and conditions" relating to the ordinary policy of the company, taking over the business; and as in all matters of life assurance, certain contingencies always must depend upon the rate of profits or surplus realized, it follows that if the future profits of the company taking over the business fall—proportionately to the business in force—below the future profits of the office from which the business is transferred, the policyholder may sustain a corresponding ultimate loss.

We are thus brought back to the view previously generally held, and again coming clearly to the front, viz.: that in matters connected with life assurance it is extremely difficult if not impossible to arrange a transfer upon such terms as shall leave the policyholders' interests in exactly the same position as before the insurance was disturbed.

The offer of the North British goes a very long way—much further, indeed, than has previously been attempted. That office, it would appear, stands to lose something upon each policy transferred, so far as the actual monetary consideration it will receive is concerned, against which (in part at least) may be set the receipts from surrender values which the office will be enabled to collect, but it stands to gain in the following ways:

1. A particularly effective and far-reaching advertisement.
2. An accession of policies covering large sums, and, therefore, held by an influential and wealthy clientele.
3. A valuable connection capable of considerable extension.

But the future! It is not very difficult to forecast the future of so old established, vigorous and prosperous an office as the North British, for "history repeats itself;" nor, when matters have cleared themselves a little more, should it be difficult to forecast equally well the future of so gigantic and wealthy a corporation as the Mutual of New York. But until changes and improved methods have had time to bear fruit, there exists, and will exist, a feeling of uncertainty in the public mind, and it is just here that competing offices find their opportunity.

It may, therefore, be said that the sooner the three great American offices concerned give practical effect to contemplated reforms and such other improvements as public opinion may dictate, the sooner will confidence be restored and the leakage of "renewals" stopped.

The British public is somewhat peculiarly conservative. Its confidence is hard to gain, and once gained there exists a distinct disinclination to change. But equally so when confidence has once been shaken, it can only be replaced by prompt and drastic measures, and even these require time to become clearly recognized and properly appreciated. The present crisis took some months to become acute and the alleviation of public concern will likewise take some months to accomplish. But a beginning has already been made.

As I previously pointed out, the topic of American life assurance has been to the fore in the British press for some months past. And it must be conceded that the majority of writers have shown themselves to be well informed upon the subject of life assurance—admittedly one of the most technical and difficult with which anyone who has not had actual insurance training can be called upon to deal—and, notwithstanding, that in some instances a want of technical knowledge has been disclosed, there is no doubt that the press as a whole is the best guide as to what the public consider is due to them, and also in regard to the more important steps necessary to allay public mistrust and misunderstanding.

Incidentally I referred above to surrender values, and these have at the present juncture assumed great importance. Mr. Haldeman's now far-famed circular distinctly stated "regarding any policies which have no surrender value a fair and liberal proposal will be made."

Any such proposal, it is clear, must be governed by the "circumstances of the case." But the importance of the position occupied by the question of surrender value is thus apparent. In this matter the policies of the Mutual issued since 1898 are particularly liberal and explicit, and it does appear somewhat of a hardship that this office should be placed in the position of running the risk of losing more business than might otherwise be the case, because of its generous attitude in this respect. It would seem also that the policies of the New York Life do not guarantee the amount of cash surrender value attaching prior to the maturity of the policy, and this is, no doubt, one of the reasons why the question of transferring insurances therefrom has been less prominently before the public at this time.

Again, the guaranteed cash surrender value of Mutual policies, of

course, goes on increasing in amount during the currency of the policy, and unless the North British—and a great deal has been made of this point—guarantees precisely the same surrender values, any policyholder may find his interests prejudiced later on.

Last week I mentioned that other British offices were anxious that the North British should not have matters quite all its own way. In this connection a development recently occurred in an unexpected quarter. The Scottish Provident Institution—an excellent office founded on the mutual principle in 1837—lately issued a moderately worded circular to its agents, on American life offices, wherein, after expressing a disinclination for unusual methods of competition, attention was called to the low premiums which are the distinctive feature of this institution, and it was claimed that in many cases dissatisfied policyholders could transfer their policies on terms at least as favorable as could be obtained elsewhere, and in many cases without reduction in the amount assured or increase of premium. The office in question does undoubtedly give particularly favorable terms to assurers, and its desire to be “in the running” is evidence of the alertness which exists among British offices generally, in this direction, at the present time.

As your readers are no doubt aware, an action is pending in the Chancery Division here on a motion by the Mutual Company to restrain their late British manager (Mr. Haldeman) from disclosing, and the North British from using, information obtained with respect to policyholders while in the employment of the company. The case was before Justice Swinfen Eady the other day, when Mr. Eve, K. C., stated that as it was one which must take some time to discuss, the parties had met and agreed that the costs of the motion should abide the result of the action, and that there should be an order for mutual discovery, and when the pleadings were closed, application should be made to his Lordship to fix a day before the long vacation for the trial of the action. As the long vacation begins on the eleventh proximo, the hearing cannot now be much further delayed.

CHARTERS.

London, July 22.

Affairs of the Mutual Life.

The protest of the counsel of the international policyholders' committee received some attention at the hands of the trustees of the Mutual Life last week and it is understood that quite a strong minority of the board favored the furnishing of the policyholders lists to the committee. No action has been taken in the matter, however, although the committee of Mutual Life policyholders headed by B. N. Baker of Baltimore has been supplied with a list by the company. No reason has been publicly given for the discrimination, although it is easily to be inferred that the Baker committee has a more direct interest in the work of reconstruction than the self-constituted committee which is loudly proclaiming its intention of reforming the entire business by putting in power men of no experience in life insurance.

A petition for mandamus proceedings to remove from the Mutual's ticket the four members of the international policyholders committee was served on Superintendent of Insurance Kelsey last week and was heard at Albany on Saturday. The Mutual Life was allowed to intervene in the suit and Judge Bartlett took the papers and withheld a decision pending the submission of briefs. He intimated, however, that the names should not have been put on the ticket.

H. McK. Twombly, for many years a trustee of the Mutual, has declined to stand for re-election.

The international committee announces that its tickets for trustees will be made public by August 20, and proclaims confidently that they will be elected.

The Canadian Investigation.

On July 24 the Royal Commission took up the affairs of the Great-West Life. Mr. Brock, manager of the Great-West, and formerly a member of the firm of Brock & Carruthers, was examined. In 1892 Mr. Brock received a salary from the insurance company of \$2000; for the next three years, \$3000 a year; next two years, \$4000; in 1898, \$5000; 1899 and 1900, \$6000; 1901 and 1902, \$7500; next three years, \$10,000, and the salary for the present year is fixed at \$12,000. This year Mr. Brock also received a bonus of \$10,000. This fact occasioned considerable surprise, but the bonus is supposed to have been given to make up for what Mr. Brock claims to have lost by leaving the firm of Brock & Carruthers.

The question of special rates given in certain localities brought out the fact that the company was in the habit of granting special rates to meet American competition, notably the Travelers of Hartford, which, according to Mr. Brock, issued special \$5000 policies, the rates for which did not appear in its rate book. The balance of the session was taken

up with the reinsurance of the Dominion Safety Fund Life Association by the Great-West, and a circular which was issued to policyholders at that time. Mr. Brock admitted that a clause in the circular sent out by the Dominion Association at the time of the transfer, stating that the rights of policyholders would be maintained inviolate, contained a misrepresentation of facts if it was taken in its broadest sense, but disclaimed any responsibility on the Great-West for the issuance of the circulars.

The Royal Arcanum's Condition.

The record of the Royal Arcanum for June shows 449 new applications and 115 reinstatements, while there were 258 deaths and 1378 suspensions reported. The net loss for the month therefore was 1072, making a total of 17,144 since the commencement of the year, and 68,247 since the agitation began in May, 1905. During June the order received in assessments \$746,052, and paid death claims amounting to \$625,901. Unpaid death losses are reported at \$743,600. The cash balance on hand June 30, was \$1,062,553, and the emergency fund amounts to \$2,014,194 in addition to the cash balance.

Gain and Loss Exhibit for 1905.*

The advocates of the gain and loss exhibit showed unexpected strength at the meeting last year of the national convention of Insurance Commissioners, and as a result a larger number of Insurance Departments have asked the companies to file the exhibit this year than for some time past. By the passage of the amended code in New York, the exhibit for the first time has legislative sanction and will hereafter be required in that State, while the commission in Massachusetts also recommends its adoption. It will thus be seen that the two States whose representatives have been strongest in their opposition to the exhibit are the first to have it made a legal requirement. In the State reports thus far made public this year, the gain and loss exhibit appears in those of Minnesota, Missouri, Tennessee and Wisconsin. While the objections to the form of the exhibit are still as numerous as ever, more attention is being paid to its compilation in the offices of the various companies, and the State officials are also giving it a good deal of attention in the hope of evolving a blank as nearly perfect as possible. The New York law, as amended, requires the publication of a “proper” gain and loss exhibit, but leaves it to the Superintendent to determine its form. Thus far most of the companies have conceded that the exhibit as prepared by them is merely an approximation and many of the items show that they are only estimates.

The exhibit has now been required by some Departments for the past eleven years, during which time various changes have been made, all of which have been duly provided for in the annual assembling of the data by THE SPECTATOR. In the accompanying tables the various credit and debit items are brought together so as to facilitate comparison, while the net gains and losses follow. The realized gain from insurance sources increased or decreased by the fluctuations in market values make up the total surplus earnings for the year, while further items show the distribution of the surplus earned, part going to the policyholders in the form of dividends or other credits, a part to stockholders as dividends and the remainder swelling or decreasing the surplus on hand.

In the extensive tabulations herewith, the figures of fifty-five ordinary and three industrial companies are shown for the year 1905, followed by tables of percentages covering the several items for a period of ten years. The aggregate transactions of the fifty-five ordinary companies show that the expenses again exceed the loading, but to a very slight extent, and with the economies that have been effected during the past year, it is more than likely that there will be a saving from this source in 1906. Interest earnings to requirements were slightly in excess of the preceding year, mainly attributable to the inclusion of heavy profit items through readjustment of values; the death rate was distinctly more favorable than in the preceding year, the favorable experience being pretty general in this respect. Nearly eighty-one per cent of the reserves released by surrender and lapse were returned to the policyholders, a slight improvement over the preceding year. The heavy decrease in market values is nearly entirely attributable to one company, so that, on the whole, the companies did not suffer much through the fluctuations of securities in 1905.

Gains from mortality again stand at the head, with \$25,400,000, followed by excess interest earnings of \$20,550,000, and \$10,550,000 from surrendered policies. The expenses exceeded the loading by \$479,000, and the loss on other accounts was \$371,000. The total realized gain

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GAIN AND LOSS EXHIBIT FOR 1905.

NAME OF COMPANY.....	ÆTNA LIFE.	AMERICAN CENTRAL.	BANKERS OF NEBRASKA.	BANKERS RESERVE	CANADA LIFE.	CENTRAL LIFE.	CHICAGO LIFE.	COLUMBIAN NATIONAL.	CONNECTICUT GENERAL.	CONNECTICUT MUTUAL.
Divisible Surplus at Beginning of Year.....	\$3,938,153	\$72,432	\$139,496	\$43,257	\$1,376,426	\$27,244	\$186,035	\$238,926	\$317,587	\$4,825,722
Loading Earned on Premiums and Annuities...	1,945,955	244,171	130,560	167,221	555,861	116,694	77,551	392,604	160,572	1,040,774
Insurance Expenses Incurred.....	2,119,974	323,915	194,177	160,782	899,543	179,949	133,345	419,273	298,430	889,563
Percentage of Insurance Expenses to Loading	108.94	132.66	148.73	96.15	161.82	154.21	171.95	106.79	185.85	85.47
Net Investment Earnings, Including Interest and Profit and Loss, Less Investment Expenses (a)	3,013,060	77,422	50,017	22,396	1,286,501	22,237	5,104	40,109	267,664	2,503,723
Interest Required to Maintain Reserve..... (b)	2,523,969	29,083	35,722	20,125	929,892	14,476	4,355	31,774	198,178	2,101,069
Percentage of (a) to (b).....	119.38	266.23	140.02	111.28	138.33	153.61	117.20	126.23	135.06	119.16
Expected Mortality Cost.....	2,703,348	145,527	164,446	96,128	1,147,059	59,117	44,701	284,714	278,940	2,400,557
Actual Net Mortality.....	1,785,004	66,194	47,991	38,604	877,463	18,355	31,624	147,940	180,067	1,883,027
Percentage of Actual to Expected Mortality	66.03	45.48	29.19	40.16	76.50	31.05	70.74	51.96	64.55	78.44
Reserves Released by Surrender and Lapse...	1,102,512	122,765	53,343	27,508	429,232	10,210	6,254	60,530	98,137	759,369
Surrender and Lapse Values Allowed.....	902,417	121,410	22,958	13,437	306,857	6,852	4,800	12,898	72,205	693,088
Percentage of Reserves Returned on Surrenders and Lapses.....	81.85	98.90	43.05	48.86	71.49	67.11	76.75	21.31	73.58	91.27
Credits from Other Items.....	.....	.....	26,660	8,803	.....	743	5,268	1,346	7,232	12,460
Debits to Other Items.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Source of Net Gains or Losses—	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Gain or Loss from Loading.....	—174,019	—79,744	—63,617	6,439	—343,682	—63,255	—55,794	—26,669	—137,858	151,211
Gain or Loss from Mortality.....	918,344	79,333	116,455	57,524	269,596	40,762	13,077	136,774	98,873	951,753
Gain or Loss from Surrend' & Lapsed Policies	200,095	1,355	30,385	14,071	122,375	3,358	1,454	47,632	25,932	66,281
Gain or Loss from Surplus Interest.....	489,091	48,339	14,295	2,271	356,609	7,761	749	8,335	69,486	402,654
Gain or Loss from Other Sources.....	.....	.....	—26,660	—8,803	.....	—743	—5,268	—1,346	—7,232	12,460
Total Realized Gain.....	1,433,511	49,283	70,858	71,502	404,898	—12,117	—45,782	164,726	49,201	1,150,136
Increase or Decrease in Market Values.....	410,444	70	.....	.....	145,949	.....	.....	.....	4,768	130,110
Surplus Earned During the Year.....	1,843,955	49,353	70,858	71,502	550,847	—12,117	—45,782	164,726	53,969	1,280,246
Surplus Applied During the Year.....	960,208	21,414	2,516	27,383	1,453,870	8,729	48	315	41,385	1,208,321
Dividends to Stockholders.....	200,000	8,228	6,000	.....	80,000	4,173	.....	30,000	12,000	.....
Increase in Surplus.....	683,747	19,711	62,342	44,118	—983,023	—25,019	—45,830	134,411	584	71,925
Divisible Surplus at End of Year.....	4,621,900	92,143	201,838	87,375	393,403	2,225	140,205	373,337	318,171	4,897,647

NAME OF COMPANY.....	CONSERVATIVE LIFE.	DES MOINES LIFE.	EQUITABLE, NEW YORK.	EQUITABLE OF IOWA	FEDERAL LIFE.	FIDELITY MUTUAL.	FRANKLIN LIFE.	GERMANIA LIFE.	GERMAN MUTUAL.	HARTFORD LIFE.
Divisible Surplus at Beginning of Year.....	\$333,626	\$209,882	\$78,944,061	\$352,825	\$94,898	\$983,654	\$336,182	\$2,538,832	\$143,966	\$426,752
Loading Earned on Premiums and Annuities...	459,612	278,804	14,904,197	247,352	89,474	1,383,165	360,450	1,076,775	9,524	274,266
Insurance Expenses Incurred.....	621,350	294,671	14,702,497	240,401	140,368	1,377,335	451,438	1,178,414	17,639	319,700
Percentage of Insurance Expenses to Loading	135.19	105.69	98.65	97.19	156.88	99.58	125.24	109.44	185.24	116.20
Net Investment Earnings, Including Interest and Profit and Loss, Less Investment Expenses (a)	73,027	64,605	17,499,191	233,512	36,905	223,063	99,499	1,449,685	24,620	128,232
Interest Required to Maintain Reserve..... (b)	63,678	49,887	12,503,140	157,155	20,043	274,460	85,367	1,179,329	15,335	31,612
Percentage of (a) to (b).....	114.66	129.48	139.95	148.59	184.14	81.42	116.55	122.92	160.50	405.64
Expected Mortality Cost.....	323,621	315,279	16,964,519	212,961	96,082	1,629,595	343,945	1,023,865	15,607	1,809,653
Actual Net Mortality.....	191,861	152,416	13,504,099	91,847	30,456	1,172,930	231,556	781,505	8,848	1,739,360
Percentage of Actual to Expected Mortality	59.28	51.52	79.60	43.13	31.70	71.98	67.32	76.33	56.73	96.12
Reserves Released by Surrender and Lapse...	129,215	121,257	12,949,848	85,413	187,413	201,241	72,142	582,965	1,639	105,172
Surrender and Lapse Values Allowed.....	95,510	90,449	10,662,975	67,753	180,794	186,452	42,268	402,992	918	65,781
Percentage of Reserves Returned on Surrenders and Lapses.....	73.91	74.59	82.34	79.33	96.47	92.65	58.59	69.13	55.98	62.55
Credits from Other Items.....	.....	.....	.....	5,448	.....	.....	.....	43,293	.....	140
Debits to Other Items.....	96,979	161,819	.....	.....	5,619	637	.....	.....	27	.....
Source of Net Gains or Losses—	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Gain or Loss from Loading.....	—161,738	—15,867	201,700	6,951	—50,894	5,830	—90,988	—101,639	—8,115	—45,434
Gain or Loss from Mortality.....	131,760	152,863	3,460,420	121,114	65,626	456,665	112,389	242,360	6,759	70,293
Gain or Loss from Surrend' & Lapsed Policies	33,705	30,808	2,286,873	17,660	6,619	14,789	29,874	179,973	721	39,391
Gain or Loss from Surplus Interest.....	9,349	14,718	4,996,051	76,357	16,862	—51,397	14,132	270,356	9,285	96,620
Gain or Loss from Other Sources.....	—96,979	—161,819	.....	5,448	—5,619	—637	.....	—43,293	—27	140
Total Realized Gain.....	—83,903	20,703	10,945,044	227,530	32,594	425,250	65,407	547,757	8,623	161,010
Increase or Decrease in Market Values.....	108,000	.....	—22,043,052	—3,420	.....	2,554	12,602	—48,573	.....	11
Surplus Earned During the Year.....	24,097	20,703	—11,098,008	224,110	32,594	427,804	78,009	499,184	8,623	161,021
Surplus Applied During the Year.....	1,536	34,997	6,834,879	121,522	33,049	364,721	3,833	516,816	6,778	70,412
Dividends to Stockholders.....	20,000	.....	7,000	.....	.....	63,083	74,176	24,000	.....	40,000
Increase in Surplus.....	2,561	—14,294	—17,939,887	95,588	—455	1,046,737	410,358	—41,632	1,845	50,609
Divisible Surplus at End of Year.....	336,187	195,588	61,004,174	448,413	94,443	.....	.....	2,497,200	145,811	477,361

NAME OF COMPANY.....	HOME LIFE, NEW YORK.	ILLINOIS LIFE.	INTER-STATE LIFE.	KANSAS CITY.	MANHATTAN LIFE.	MASSACHUSETTS MUTUAL.	MICHIGAN MUTUAL.	MINNESOTA MUTUAL.	MISSOURI STATE.	MUTUAL BENEFIT.
Divisible Surplus at Beginning of Year.....	\$1,134,104	\$117,429	\$197,310	\$12,159	\$1,443,759	\$3,282,510	\$206,202	\$201,464	\$52,053	\$7,247,066
Loading Earned on Premiums and Annuities...	731,021	394,980	335,478	131,647	692,881	1,791,682	403,608	261,081	156,921	3,396,859
Insurance Expenses Incurred.....	831,197	463,715	457,198	143,969	933,890	1,337,189	540,703	414,621	197,351	2,743,335
Percentage of Insurance Expenses to Loading	113.71	117.40	136.28	109.36	134.78	74.63	133.98	158.81	125.77	80.76
Net Investment Earnings, Including Interest and Profit and Loss, Less Investment Expenses (a)	751,272	252,684	123,328	10,658	819,572	1,499,400	391,843	75,580	38,365	4,067,285
Interest Required to Maintain Reserve..... (b)	619,655	199,470	34,995	7,390	697,037	1,395,771	351,341	68,377	23,475	3,346,468
Percentage of (a) to (b).....	121.24	126.68	352.42	144.22	117.59	107.42	111.53	110.55	163.43	121.54
Expected Mortality Cost.....	804,738	504,779	148,498	30,754	906,003	1,991,139	500,074	322,848	105,606	3,872,974
Actual Net Mortality.....	518,488	390,182	67,057	5,427	654,128	1,618,230	345,729	238,396	69,923	3,063,194
Percentage of Actual to Expected Mortality	64.43	77.30	45.16	17.65	72.20	81.27	69.14	73.82	66.21	79.09
Reserves Released by Surrender and Lapse...	396,017	290,404	288,450	12,267	524,489	759,204	215,847	81,109	57,719	2,043,506
Surrender and Lapse Values Allowed.....	243,162	227,108	285,367	11,463	389,299	626,648	199,343	68,975	49,035	1,802,261
Percentage of Reserves Returned on Surrenders and Lapses.....	61.40	78.21	98.95	93.45	72.22	82.54	92.35	85.02	84.95	88.19
Credits from Other Items.....	42,778	562	.....	.....	.....	.....	.....	.....	.....	.....
Debits to Other Items.....	48,976	12,558	11,643	.....	12,688	.....	9,043	10,970	.....	.....
Source of Net Gains or Losses—	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Gain or Loss from Loading.....	—100,176	—68,735	—121,720	—12,322	—241,009	454,493	—137,095	—153,540	—40,430	653,524
Gain or Loss from Mortality.....	286,250	114,597	81,441	25,327	251,875	372,909	154,345	84,452	35,683	809,780
Gain or Loss from Surrend' & Lapsed Policies	152,855	63,296	3,083	804	135,190	132,556	16,504	12,134	8,684	241,245
Gain or Loss from Surplus Interest.....	131,617	53,214	88,333	3,268	122,535	103,629	40,502	7,212	14,890	720,817
Gain or Loss from Other Sources.....	—6,198	—11,996	—11,643	.....	—12,688	.....	—9,043	—10,970	277	.....
Total Realized Gain.....	464,348	150,376	39,494	17,077	255,903	1,063,587	65,213	—60,712	19,104	2,425,366
Increase or Decrease in Market Values.....	—109,307	—75,406	.....	.....	—79,392	29,503	—3,942	—64,654	.....	—63,633
Surplus Earned During the Year.....	355,041	74,970	39,494	17,077	176,511	1,093,090	62,550	—19,874	19,104	2,361,733
Surplus Applied During the Year.....	269,745	58,787	.....	1,777	103,451	1,031,205	33,959	19,874	.....	2,030,784
Dividends to Stockholders.....	15,000	7,000	28,704	.....	16,000	.....	25,000	.....	8,000	.....
Increase in Surplus.....	70,296	9,183	10,790	15,300	57,060	61,885	3,591	—84,528	11,104	330,949
Divisible Surplus at End of Year.....	1,204,400	126,612	208,100	27,459	1,500,819	3,344,395	209,793	116,936	63,157	7,578,015

The minus sign (—) indicates a loss or decrease in such item.

‡ Including capital, \$150,000.

a Paid upon guaranty fund.

GAIN AND LOSS EXHIBIT FOR 1905—Continued.

NAME OF COMPANY.....	MUTUAL, NEW YORK.	NATIONAL OF U. S. OF A.	NATIONAL OF VERMONT.	NEW ENGLAND MUTUAL.	NEW YORK LIFE.	NORTH- WESTERN MUTUAL.	PACIFIC MUTUAL.	PENN MUTUAL.	PHOENIX MUTUAL.	PROVIDENT LIFE AND TRUST.
Divisible Surplus at Beginning of Year.....	\$74,357,818	\$64,101	\$3,440,153	\$3,686,126	.....	\$8,276,779	\$364,130	\$4,231,261	\$801,588	\$7,249,623
Loading Earned on Premiums and Annuities...	14,139,922	553,200	1,119,464	1,364,093	\$18,814,462	6,403,060	833,274	3,388,665	661,142	1,268,517
Insurance Expenses Incurred.....	13,868,785	835,154	1,387,237	1,269,125	17,668,954	5,156,504	974,760	2,967,115	888,850	1,354,413
Percentage of Insurance Expenses to Loading	98.08	150.97	123.81	93.04	93.91	80.53	116.98	87.56	134.44	106.77
Net Investment Earnings, Including Interest and Profit and Loss, Less Investment Expenses. (a)	15,385,466	153,799	1,331,801	1,658,327	16,325,521	8,850,228	320,614	3,379,867	877,479	3,038,886
Interest Required to Maintain Reserve..... (b)	14,141,068	169,862	1,145,381	1,406,438	12,545,000	6,172,525	275,468	2,586,908	711,087	1,916,223
Percentage of (a) to (b).....	108.80	90.55	116.28	117.91	130.13	143.38	116.39	130.65	123.40	158.61
Expected Mortality Cost.....	18,396,157	365,074	1,574,098	1,813,558	21,408,269	7,481,214	608,812	3,937,723	949,029	1,785,941
Actual Net Mortality.....	15,304,493	248,105	1,070,503	1,215,992	16,643,956	5,040,547	383,157	2,824,351	637,701	941,907
Percentage of Actual to Expected Mortality.	83.25	67.96	68.01	67.05	77.75	67.37	62.94	71.72	67.19	52.74
Reserves Released by Surrender and Lapse.....	7,082,553	180,023	731,576	909,578	11,878,291	5,579,597	180,997	1,423,400	412,291	708,272
Surrender and Lapse Values Allowed.....	4,535,196	143,939	570,437	851,689	10,144,154	5,040,401	157,228	1,319,788	306,682	632,183
Percentage of Reserves Returned on Sur- renders and Lapses.....	64.03	79.96	77.97	93.64	85.48	90.34	86.85	92.72	74.39	89.26
Credits from Other Items.....	.....	4,723	.....	.....	.....	.....	.....	8,000	762	18,304
Debits to Other Items.....	.....	.....	647	.....	.....	.....	.....	.....	.....	.....
Source of Net Gains or Losses—	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Gain or Loss from Loading.....	271,137	-281,954	-267,773	94,968	1,145,508	1,246,556	-141,486	421,550	-227,708	-85,896
Gain or Loss from Mortality.....	3,091,664	116,969	503,595	597,566	4,764,313	2,440,667	225,655	1,113,372	311,328	844,034
Gain or Loss from Surrend & Lapsed Policies	2,547,357	36,084	161,139	57,889	1,734,137	539,196	23,769	103,612	105,609	76,089
Gain or Loss from Surplus Interest.....	1,244,398	-16,063	186,420	251,889	3,780,521	2,677,703	45,146	792,959	166,392	1,122,664
Gain or Loss from Other Sources.....	.....	4,723	-647	.....	.....	.....	.....	8,000	762	18,304
Total Realized Gain.....	7,154,556	-140,241	582,734	1,002,312	11,424,479	6,904,122	153,084	2,439,493	356,383	1,975,195
Increase or Decrease in Market Values.....	-495,524	224,808	-20,211	83,995	*	-187,794	222,395	-71,004	10,670	-604,669
Surplus Earned During the Year.....	6,659,032	84,567	562,523	1,086,307	11,424,479	6,716,328	375,479	2,368,489	367,053	1,370,526
Surplus Applied During the Year.....	2,749,244	44,565	202,223	670,012	11,424,479	5,661,408	594,435	1,879,123	261,490	1,124,215
Dividends to Stockholders.....	.....	.....	.....	.....	.....	.....	35,000	.....	.....	.....
Increase in Surplus.....	3,909,788	40,002	360,300	416,295	.....	1,054,920	-253,956	489,366	105,563	246,310
Divisible Surplus at End of Year.....	78,267,606	104,103	3,800,453	4,102,421	.....	9,331,699	110,174	4,720,627	907,151	7,495,933

NAME OF COMPANY.....	PROVIDENT SAVINGS.	RELIANCE LIFE.	RESERVE LOAN.	ROYAL UNION.	SECURITY L. & A. OF AMERICA.	SECURITY MUTUAL, NEW YORK.	SECURITY TRUST AND LIFE.	STATE LIFE.	STATE MUTUAL.	TRAVELERS.
Divisible Surplus at beginning of Year.....	\$549,640	\$742,079	\$53,562	\$123,045	\$54,957	\$505,822	† \$459,359	\$544,586	\$2,539,009	\$1,717,351
Loading Earned on Premiums and Annuities...	1,226,038	51,575	168,820	179,406	132,932	594,898	268,444	947,922	1,033,294	622,507
Insurance Expenses Incurred.....	1,384,602	273,524	206,291	223,460	208,465	747,763	296,069	1,114,912	898,893	1,054,279
Percentage of Insurance Expenses to Loading	112.93	530.34	122.20	124.56	156.83	125.70	110.29	117.62	89.59	169.36
Net Investment Earnings, Including Interest and Profit and Loss, Less Investment Expenses. (a)	372,609	77,607	59,712	79,819	4,992	114,285	35,156	140,686	1,105,044	1,601,280
Interest Required to Maintain Reserve..... (b)	287,150	9,104	49,768	56,638	9,930	86,929	65,088	100,053	925,121	1,321,074
Percentage of (a) to (b).....	129.76	852.45	119.98	140.93	55.28	131.47	54.01	140.61	119.45	121.21
Expected Mortality Cost.....	1,354,587	56,412	107,000	164,483	55,975	525,451	258,275	604,391	1,161,542	1,412,399
Actual Net Mortality.....	1,250,213	43,096	19,067	82,517	20,619	444,586	310,202	355,831	914,807	1,329,236
Percentage of Actual to Expected Mortality.	92.29	76.39	17.82	50.17	36.84	84.61	120.10	58.87	78.76	94.11
Reserves Released by Surrender and Lapse.....	257,728	33,613	187,115	47,323	19,145	88,866	119,315	193,651	606,595	829,767
Surrender and Lapse Values Allowed.....	249,070	.....	175,117	62,629	22,974	28,018	61,796	176,418	526,494	343,353
Percentage of Reserves Returned on Sur- renders and Lapses.....	96.64	.....	93.59	132.35	120.00	31.53	48.21	90.89	86.80	41.38
Credits from Other Items.....	.....	.....	.....	.....	44	2,499	.....	.....	.....	.....
Debits to Other Items.....	.....	.....	.....	.....	.....	.....	.....	2,154	.....	3,081
Source of Net Gains or Losses—	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Gain or Loss from Loading.....	-158,564	-221,949	-37,471	-44,054	-75,533	-152,865	-27,625	-166,990	104,401	-431,772
Gain or Loss from Mortality.....	104,374	13,316	87,933	81,966	35,356	80,865	-51,927	248,560	246,735	83,163
Gain or Loss from Surrend & Lapsed Policies	8,658	33,613	11,998	-15,306	-3,829	60,848	57,519	17,233	80,101	486,414
Gain or Loss from Surplus Interest.....	85,459	68,503	9,944	23,181	-4,038	27,356	-29,932	40,633	179,923	280,206
Gain or Loss from Other Sources.....	.....	.....	.....	.....	44	2,499	.....	-2,154	.....	-3,081
Total Realized Gain.....	39,927	-106,517	72,404	45,787	-48,000	18,703	-51,965	137,282	611,160	414,950
Increase or Decrease in Market Values.....	.....	.....	-301	.....	-2,391	1,588	-1,851	78	57,927	145,338
Surplus Earned During the Year.....	39,927	-106,517	72,103	45,787	-50,391	20,291	-53,816	137,360	669,087	560,288
Surplus Applied During the Year.....	168,140	1,199	12,266	11,478	.....	7,389	2,109	76,628	571,245	70,648
Dividends to Stockholders.....	6,916	.....	.....	7,000	.....	.....	.....	.....	.....	.....
Increase in Surplus.....	-135,129	-107,716	59,837	27,309	-50,391	12,902	-55,925	60,731	97,841	489,640
Divisible Surplus at End of Year.....	414,511	634,363	113,399	150,354	4,566	518,724	†403,434	605,317	2,636,850	2,206,991

NAME OF COMPANY.....	UNION CENTRAL.	UNION MUTUAL.	UNITED STATES LIFE	WASHING- TON LIFE.	WISCONSIN LIFE.	TOTALS 55 COMPANIES.	INDUSTRIAL COMPANIES.			
							JOHN HANCOCK.	METRO- POLITAN.	PRUDENTIAL.	TOTALS 3 COMPANIES.
Divisible Surplus at beginning of Year.....	\$6,912,247	\$627,536	\$174,705	\$75,316	\$11,339	\$226,986,144	\$3,482,778	\$12,835,220	\$11,320,449	\$27,638,447
Loading Earned on Premiums and Annuities...	1,442,304	548,424	346,071	591,828	34,101	88,916,103	5,718,040	21,402,369	19,508,515	46,628,924
Insurance Expenses Incurred.....	1,707,927	712,110	415,634	705,102	39,645	89,395,505	5,579,414	19,548,716	15,713,983	40,842,113
Percentage of Insurance Expenses to Loading	118.42	129.85	120.10	119.14	116.26	100.54	97.58	91.34	80.55	87.59
Net Investment Earnings, Including Interest and Profit and Loss, Less Investment Expenses. (a)	2,924,148	449,703	525,266	703,549	8,716	94,675,128	1,395,465	5,924,461	3,893,642	11,213,568
Interest Required to Maintain Reserve..... (b)	1,553,337	416,867	372,690	680,659	6,313	74,122,389	1,103,893	4,726,851	2,919,536	8,750,280
Percentage of (a) to (b).....	188.25	107.87	140.94	103.36	138.06	127.73	126.41	125.34	133.37	128.15
Expected Mortality Cost.....	2,186,840	651,839	457,738	688,640	34,305	107,286,829	4,617,861	11,989,040	9,592,295	26,199,196
Actual Net Mortality.....	1,215,184	431,105	494,192	637,945	24,549	81,885,762	3,837,923	12,980,838	10,286,901	27,105,662
Percentage of Actual to Expected Mortality.	55.59	66.13	107.96	92.64	71.56	76.33	83.11	108.27	107.24	103.46
Reserves Released by Surrender and Lapse.....	637,829	346,741	424,927	734,734	4,167	55,393,271	978,599	4,519,959	3,322,679	8,821,237
Surrender and Lapse Values Allowed.....	539,326	254,030	312,309	530,931	4,091	44,843,728	581,496	1,538,594	1,542,775	3,662,865
Percentage of Reserves Returned on Sur- renders and Lapses.....	84.56	73.26	73.49	72.30	98.42	80.96	59.42	34.05	46.43	41.52
Credits from Other Items.....	.....	.....	4,125	.....	.....	100,122	.....	.....	.....	.....
Debits to Other Items.....	.....	935	.....	.....	.....	471,121	.....	.....	.....	.....
Source of Net Gains or Losses—	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Gain or Loss from Loading.....	-265,623	-163,686	-69,563	-113,274	-5,544	-479,402	138,626	1,853,653	3,794,532	5,786,811
Gain or Loss from Mortality.....	971,656	220,734	-36,454	50,695	9,756	25,401,067	779,938	-991,798	-694,606	-906,466
Gain or Loss from Surrend & Lapsed Policies	98,503	92,711	112,618	203,803	76	10,549,543	397,103	2,981,365	1,779,904	5,158,372
Gain or Loss from Surplus Interest.....	1,370,811	32,836	152,576	22,890	2,403	20,552,739	291,572	1,197,610	974,106	2,463,288
Gain or Loss from Other Sources.....	.....	-935	4,125	.....	.....	-370,999	.....	.....	.....	.....
Total Realized Gain.....	2,175,347	181,660	163,302	164,114	6,691	55,652,948	1,607,239	5,040,830	5,853,936	12,502,005
Increase or Decrease in Market Values.....	-4,178	34,690	-150,689	-21,538	.....	-22,364,038	22,547	-889,700	-383,809	-1,250,962
Surplus Earned During the Year.....	2,171,169	216,350	12,613	142,576	6,691	33,288,910	1,629,786	4,151,130	5,470,127	11,251,043
Surplus Applied During the Year.....	707,002	140,858	96,306	110,658	75	41,849,509	1,155,927	2,664,770	2,544,764	6,365,461
Dividends to Stockholders.....	10,000	.....	30,800	.....	.....	627,821	.....	140,000	200,000	340,000
Increase in Surplus.....	1,454,167	75,492	-114,493	31,918	6,616	-0,188,420	473,858	1,346,360	2,725,363	4,545,582
Divisible Surplus at End of Year.....	8,366,414	703,028	60,211	107,234	17,955	217,797,724	3,956,636	14,181,580	14,045,812	32,184,029

The minus sign (—) indicates a loss or decrease in such item. * Co. does not take credit for excess of market values over book values. † Including \$500,000 capital. a Paid on guaranty fund.

PERCENTAGES OF GAIN AND LOSS EXHIBIT FOR TEN YEARS.

[illegible]

* Including investment expenses. † Investment expenses deducted.

COMPANIES.	PERCENTAGE OF INTEREST EARNED TO INTEREST REQUIRED.																		
	1896. \$	1897. %	1897. +	1898. %	1898. +	1899. \$	1899. +	1900. %	1900. +	1901. %	1901. +	1902. \$	1902. +	*1903. \$	*1903. +	*1904. \$	*1904. +	*1905. \$	*1905. +
Ætna Life.....	154.04	168.38	166.41	159.99	158.20	145.92	143.28	138.91	132.25	141.71	136.71	132.87	127.82	124.06	119.32	125.44	120.48	122.56	119.38
American Central.....	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	275.93	266.39
Bankers of Nebraska.....	----	407.71	407.71	255.93	151.12	229.51	98.89	----	----	----	----	----	----	----	----	70.79	66.36	140.02	140.02
Bankers Reserve.....	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	112.01	111.28
Berkshire.....	139.45	133.80	128.13	135.90	127.57	125.19	113.97	125.62	115.08	142.48	120.09	----	----	----	----	147.90	139.85	149.32	138.33
Canada.....	125.72	122.02	112.96	120.90	112.49	110.60	100.85	115.60	105.83	138.36	123.80	164.50	153.64	146.54	135.65	190.78	182.99	160.50	153.61
Central Life.....	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	356.50	356.50	117.30	117.20
Chicago Life.....	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	162.70	162.70	126.23	126.23
Columbian National.....	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	135.85	124.43	144.43	135.06
Connecticut General.....	156.78	154.25	145.62	142.80	135.74	117.47	104.52	147.78	136.91	130.81	120.03	133.14	123.03	82.32	73.75	----	----	----	----
Connecticut Mutual.....	140.78	162.95	137.30	156.52	130.04	138.02	115.34	160.56	136.76	145.12	121.08	126.41	103.59	132.68	106.62	138.50	112.72	142.64	119.16
Conservative.....	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	178.45	175.17	148.37	141.66
Des Moines Life.....	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	128.58	121.98	133.55	129.48
Equitable, New York.....	128.75	158.87	147.00	194.72	184.54	162.18	150.95	165.97	155.16	152.40	138.94	142.19	133.59	135.92	126.05	135.82	126.82	147.26	139.95
Equitable of Iowa.....	220.71	231.02	226.23	241.74	233.17	199.67	194.40	176.13	170.66	181.01	178.56	152.22	150.23	140.26	138.36	152.66	149.59	149.23	148.50
Federal.....	----	----	----	----	----	139.30	101.06	145.19	110.25	131.64	96.63	146.69	113.28	147.90	122.56	203.80	203.80	184.14	184.14
Fidelity Mutual.....	----	----	----	----	----	487.96	472.48	124.45	101.28	148.84	137.82	----	----	----	----	140.01	117.86	102.32	81.43
Franklin.....	----	----	----	----	----	131.09	116.44	135.60	125.48	146.99	132.91	163.71	147.99	136.00	119.18	136.32	120.79	137.01	123.92
Germania.....	121.89	53.84	143.53	143.46	132.28	200.00	179.37	----	----	----	----	----	----	----	----	----	----	172.03	160.50
German Mutual.....	----	----	----	200.85	179.52	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Hartford.....	----	----	----	----	----	122.47	71.61	937.44	887.44	493.22	454.07	616.54	577.46	470.70	445.50	407.61	334.21	448.47	405.64
Home.....	151.07	141.27	127.71	138.03	122.78	133.89	149.36	131.99	116.63	140.17	126.59	134.59	114.77	123.20	109.22	130.36	114.80	135.38	121.24
Inter-State.....	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	133.25	127.25	352.42	352.42
Illinois Life.....	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	195.91	126.63
Kansas City.....	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	167.47	144.22
Manhattan.....	134.92	147.11	131.88	142.15	127.11	121.83	103.43	180.37	159.76	149.95	126.08	139.91	116.48	135.70	110.30	154.72	129.07	142.90	117.59
Massachusetts Mutual.....	107.28	139.48	129.03	149.49	138.82	121.04	111.10	136.24	127.04	118.93	110.46	107.90	100.14	113.35	105.67	122.22	114.98	114.31	107.42
Michigan Mutual.....	147.30	131.24	112.38	114.54	98.13	112.68	97.64	142.40	125.93	137.64	123.80	128.27	115.60	130.08	116.65	125.81	113.12	125.88	111.53
Minnesota Mutual.....	----	----	----	----	----	----	----	----	----	----	----	128.84	128.84	139.19	139.19	125.51	125.51	112.17	110.55
Missouri State.....	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	179.59	163.43

* Exclusive of increase or decrease in market value. † Investment expenses deducted. § Ratios are gross; investment expenses not deducted.

PERCENTAGES OF GAIN AND LOSS EXHIBIT FOR TEN YEARS.

COMPANIES.	PERCENTAGE OF INTEREST EARNED TO INTEREST REQUIRED.																			
	1896. \$	1897. \$	1897.†	1898. \$	1898.†	1899. \$	1899.†	1900. \$	1900.†	1901. \$	1901.†	1902. \$	1902.†	*1903. \$	*1903†	*1904. \$	*1904†	*1905. \$	*1905†	
Mutual Benefit.....	129.95	143.54	134.45	141.88	131.34	135.51	124.06	129.78	115.75	128.81	114.26	119.88	105.78	127.30	113.80	132.78	119.73	128.07	121.54	
Mutual, New York.....	134.86	151.43	141.42	185.21	175.14	187.80	177.84	162.57	152.00	166.55	156.09	136.57	124.68	123.32	115.27	131.78	121.10	119.33	108.80	
National of U. S. of A.....	130.46	118.71	102.11	137.72	108.96	129.40	105.08	131.00	107.75	114.29	94.95	128.05	110.88	131.49	118.02	124.99	113.09	126.65	116.28	
National of Vermont.....	111.48	140.52	140.52	147.00	137.80	133.03	124.04	123.31	110.33	140.95	128.70	115.37	103.79	124.17	111.65	123.24	111.01	129.73	117.91	
New England.....	140.47	133.18	126.32	155.11	148.45	147.44	141.56	138.55	129.89	144.28	132.03	119.52	100.50	137.22	126.18	135.34	123.35	141.75	130.13	
New York.....	170.07	169.49	158.98	171.16	160.93	144.83	133.42	159.08	147.51	143.17	133.62	131.49	122.15	132.70	123.85	148.78	141.74	149.57	143.88	
Northwestern Mutual.....	135.06	161.97	114.70	170.41	140.98	140.92	118.30	222.90	206.12	308.89	295.41	198.34	190.53	163.60	140.55	138.67	125.51	128.11	116.39	
Pacific Mutual.....	121.20	126.00	109.95	156.67	130.86	137.29	125.64	143.13	116.30	137.75	118.62	120.12	102.55	127.21	110.62	129.12	112.33	147.01	130.65	
Penn Mutual.....	141.23	136.91	129.43	154.08	142.80	147.30	132.68	151.01	139.49	133.40	124.62	128.05	120.12	133.90	126.95	131.61	125.31	129.56	123.40	
Phoenix Mutual.....	127.65	156.61	147.15	191.28	182.30	134.33	128.45	149.55	141.68	135.22	128.94	130.91	124.03	137.19	129.24	145.46	144.41	158.61	158.61	
Provident L. and T.....	323.05	252.01	232.52	225.18	208.94	218.49	201.35	173.42	161.00	200.22	188.27	178.92	116.07	221.90	146.25	322.47	241.50	218.87	129.76	
Provident Savings.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	1320.81	1320.81	854.15	852.45	
Reliance.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Reserve Loan.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Royal Union.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Security L. and A. of Am.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Security Mutual.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Security T. and L.....	1002.69	40.87	240.87	164.24	161.24	487.27	---	702.24	---	435.44	---	1215.91	793.86	536.25	133.60	437.51	---	---	---	
State Life.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
State Mutual.....	125.18	118.12	100.62	155.60	145.60	181.91	174.34	182.51	177.92	132.76	132.40	150.43	141.09	156.65	148.25	261.19	214.61	193.72	140.61	
Travelers.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Union Central.....	140.41	130.35	113.69	171.47	155.50	144.13	127.88	160.64	141.35	131.23	111.92	113.19	95.40	142.50	127.52	132.52	120.87	134.27	121.21	
Union Mutual.....	196.43	175.57	160.42	150.93	132.23	165.37	143.29	180.62	152.82	185.37	164.36	189.20	165.84	185.70	168.21	188.48	170.35	204.51	188.25	
United States.....	103.67	135.69	126.90	145.15	137.37	145.27	138.57	132.46	123.48	133.66	124.32	124.29	112.80	104.38	94.78	96.42	85.36	118.02	107.87	
Washington.....	135.90	151.60	138.03	169.77	156.47	142.02	127.60	140.20	130.28	120.08	108.22	123.47	110.45	108.50	95.94	121.93	109.85	151.80	140.94	
Wisconsin.....	127.51	114.26	102.80	139.53	128.00	142.98	129.15	126.70	108.69	130.46	97.17	135.76	101.24	132.40	106.80	127.63	97.38	132.13	103.36	
Averages.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
	136.81	149.02	138.19	168.68	157.54	153.72	142.57	151.94	139.19	152.33	139.12	132.36	120.22	134.40	121.19	137.22	125.24	138.70	127.73	
<i>Industrial Companies.</i>																				
John Hancock.....	130.17	126.25	99.05	170.32	150.78	143.20	126.68	149.88	135.18	136.70	122.83	126.65	117.70	140.90	130.43	141.90	133.63	136.99	126.41	
Metropolitan.....	118.26	114.97	80.83	167.59	154.57	172.02	157.92	131.90	116.41	161.92	144.96	104.70	89.60	127.95	112.25	117.82	102.93	140.26	125.34	
Prudential.....	157.48	151.02	136.21	137.01	123.07	132.63	115.30	156.51	133.55	110.94	85.68	175.11	151.39	142.85	117.82	143.42	126.35	148.53	133.37	
Averages.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
	133.28	131.17	104.08	157.24	142.30	153.73	137.84	144.62	127.01	141.58	122.29	131.05	113.92	134.68	116.50	129.48	114.72	142.49	128.15	

* Exclusive of increase or decrease in market value.

† Investment expenses deducted.

§ Ratios are gross; investment expenses are deducted.

COMPANIES.	PERCENTAGE OF ACTUAL TO EXPECTED MORTALITY.										PERCENTAGE OF RESERVES RETURNED ON SURRENDERS.									
	1896	1897	1898	1899	1900	1901	1902	1903	1904	1905	1896	1897	1898	1899	1900	1901	1902	1903	1904	1905
Ætna Life.....	61.38	80.61	66.37	72.17	64.05	67.61	68.11	65.61	67.18	66.03	107.11	110.46	80.34	78.75	81.18	84.08	80.80	79.43	80.25	81.85
American Central.....	---	---	---	---	---	---	---	---	---	45.48	---	---	---	---	---	---	---	---	---	98.90
Bankers of Nebraska.....	---	29.14	50.66	39.98	---	---	---	---	---	29.19	---	36.32	29.69	22.30	---	---	---	---	---	43.05
Bankers Reserve.....	---	---	---	---	---	---	---	---	25.07	40.16	---	---	---	---	---	---	---	---	---	48.86
Berkshire.....	59.58	62.17	75.76	76.11	66.29	81.81	---	---	---	---	89.52	89.22	88.89	91.39	90.99	93.36	---	---	---	
Canada.....	68.39	68.08	70.45	70.41	79.99	76.70	67.84	72.99	74.48	76.50	56.03	59.09	59.53	56.45	72.53	51.86	76.72	50.71	52.11	71.49
Central Life.....	---	---	---	---	---	---	---	---	43.85	31.05	---	---	---	---	---	---	---	---	---	82.11
Chicago Life.....	---	---	---	---	---	---	---	---	26.26	70.74	---	---	---	---	---	---	---	---	---	67.11
Columbian National.....	---	---	---	---	---	---	---	---	57.31	51.96	---	---	---	---	---	---	---	---	---	28.24
Connecticut General.....	64.60	62.61	48.38	51.44	54.45	38.78	55.29	64.16	56.28	64.55	---	---	---	---	---	---	---	---	---	0.02
Connecticut Mutual.....	78.47	84.47	76.88	77.85	82.60	74.98	77.40	80.14	89.67	78.44	87.86	87.56	90.70	89.71	90.00	88.55	89.18	90.24	77.92	73.58
Conservative.....	---	---	---	---	---	---	---	---	56.81	59.28	---	---	---	---	---	---	---	---	---	90.27
Des Moines Life.....	---	---	---	---	---	---	---	---	51.25	51.52	---	---	---	---	---	---	---	---	---	64.53
Equitable, New York.....	91.57	81.76	90.53	93.37	86.41	86.10	86.04	89.89	80.06	79.60	75.97	64.32	81.07	82.27	81.35	83.90	86.64	83.38	87.67	73.91
Equitable of Iowa.....	70.64	76.96	56.93	37.29	35.01	74.54	69.12	58.46	68.30	43.13	42.81	90.58	89.52	63.13	41.68	55.22	72.43	55.11	74.13	82.34
Federal.....	---	---	---	---	---	---	---	---	38.97	31.70	---	---	---	---	---	---	---	---	---	74.13
Fidelity Mutual.....	---	---	---	121.38	97.03	71.74	77.64	68.09	70.33	71.98	---	---	---	55.81	94.19	89.87	83.09	79.18	106.12	96.47
Franklin.....	---	---	---	82.23	74.00	88.71	---	---	70.33	71.98	---	---	---	---	---	---	---	---	---	92.65
Germania.....	78.92	80.69	84.78	91.22	78.85	86.68	74.48	73.97	73.73	76.33	82.12	80.95	81.86	78.46	76.95	70.05	70.19	67.57	84.44	92.65
German Mutual.....	---	---	256.51	44.17	---	---	---	---	---	56.73	---	---	93.70	90.83	---	---	---	---	---	58.59
Hartford.....	---	---	---	91.18	91.20	70.03	96.80	101.08	98.61	96.12	---	---	---	---	---	---	---	---	---	55.98
Home.....	80.42	81.44	86.34	74.89	61.18	78.94	73.08	71.98	80.41	64.43	52.68	52.40	56.61	52.60	54.02	49.48	49.49	48.25	20.58	62.55
Inter-State.....	---	---	---	---	---	---	---	---	42.36	45.16	---	---	---	---	---	---	---	---	---	51.86
Illinois Life.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	61.40
Kansas Life.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	98.34
Manhattan.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	78.21
Massachusetts Mut'l.....	86.36	93.17	91.24	79.40	83.65	86.42	76.91	75.55	75.79	72.20	77.40	85.80	76.96	81.68	83.84	83.09	80.77	70.57	93.45	
Michigan Mutual.....	67.30	58.39	81.47	77.83	63.58	71.50	59.83	64.29	70.23	81.27	73.87	77.56	85.01	81.02	83.51	88.48	82.91	84.90	72.22	
Minnesota Mutual.....	67.70	79.29	70.30	69.48	71.06	97.25	78.93	72.03	79.01	69.14	72.18	78.23	74.24	86.06	76.92	78.88	85.78	90.17	82.71	
Missouri State.....	---	---	---	---	---	---	---	---	78.66	73.82	---	---	---	---	---	---	---	---	---	92.35
Mutual Benefit.....	77.42	79.15	72.12	78.97	77.46	74.75	74.49	78.85	80.88	79.09	91.12	91.14	91.44	92.86	88.41	88.58	88.65	88.54	88.07	85.02
Mutual, New York.....	78.21	76.56	78.96	92.89	73.94	75.78	72.98	80.63	83.87	83.25	78.31	79.00	74.22	76.75	78.74	69.94	67.85	69.06	68.15	88.19
National of U.S. of A.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	64.03
National of Vermont.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	79.96
New England.....	64.17	64.05	57.06	73.24	65.76	67.35	70.74	60.42	55.91	68.01	82.33	90.15	91.91	94.40	79.91	74.07	72.87	83.90	78.84	
New York.....	74.46	77.72	75.17	68.00	66.08	69.58	76.73	74.40	66.95	67.05	87.54	97.90	90.74	90.39	91.85	91.73	89.57	87.40	87.32	
Northwestern Mutual.....	87.54	84.75	79.80	86.52	78.17	88.10	80.79	74.18	82.29	77.75	78.14	80.26	79.15	77.15	76.94	78.16	81.65	77.56	93.45	
Pacific Mutual.....	53.68	61.33	62.21	61.45	63.02	63.72	60.94	66.27	66.37	67.37	79.57	77.13	77.44	73.67	75.62	84.59	85.28	87.15	85.48	
Penn Mutual.....	92.93	87.90	68.16	57.51	67.44	75.23	77.08	63.18	55.00	62.94	78.28	62.03	61.12	59.74	39.01	64.07	69.77	98.31	88.98	
Phoenix Mutual.....	71.20	66.93	65.56	74.95	70.93	83.18	73.76	65.74	68.59	71.72	83.56	85.90	87.71	81.56	85.06	79.65	76.08	83.10	78.56	
Provident L. & Trust.....	77.99	59.46	68.70	76.55	72.00	71.61	61.22	77.20	73.17	67.19	62.06	73.66	76.17	74.24	68.78	70.19	73.03	75.40	73.41	
Provident Savings.....	62.40	54.04	70.09	65.20	59.30	53.17	53.19	62.70	50.17	52.74	84.50	81.28	83.83	89.45	82.37	85.75	84.69	91.76	84.60	
Reliance.....	97.57	91.07	72.79	79.88	95.33	95.02	87.85	86.62	98.43	92.29	58.01	65.46	53.01	82.29	64.09	48.43	69.78	86.88	99.84	
Reserve Loan.....	---	---	---	---	---	---	---	---	25.86	76.39	---	---	---	---	---	---	---	---	---	96.64
Royal Union.....	---	---	---	---	---	---	---	---	---	17.82	---	---	---	---	---	---	---	---	---	93.59
Security L. & A. of Am.....	---	---	---	---	---	---	---	---	---	50.17	---	---	---	---	---	---	---	---	---	132.35
Security Mutual.....	---	---	---	---	---	---	---	---	---	36.84	---	---	---	---	---	---	---	---	---	120.00
Security Tr. & Life.....	---	---	---	---	104.58	92.67	71.66	70.87	84.81	84.61	---	---	---	---	3.32	4.96	22.35	35.98	29.12	31.53
State Life.....	143.02	94.69	104.29	116.01	112.45	112.15	104.90	99.47	21.89	120.10	---	26.07	21.52	46.44	69.94	64.42	84.53	39.78	39.68	48.21
State Mutual.....	56.33	54.25	60.31	65.27	54.41	72.90	56.67	63.02	66.33	58.87	---	---	4.36	16.23	5.84	157.02	93.77	167.65	124.11	90.89
Travelers.....	---	---	60.68	64.44	59.44	59.84	49.48	79.62	60.19	78.76	87.86	89.36	91.98	93.70	83.49	85.90	87.12	84.94	86.56	
Union Central.....	70.50	60.08	59.56	63.46	89.62	79.46	66.37	82.44	84.48	94.11	84.67	82.77	83.00	67.77	53.95	49.27	51.33	49.29	48.04	
Union Mutual.....	70.00	75.98	64.23	57.27	69.35	59.46	56.47	58.02	64.15	55.59	76.42	80.08	92.18	80.12	79.16	85.59	87.80	86.04	41.38	
United States.....	58.25	80.86	76.38	78.73	78.53	80.10	72.47	67.23	70.19	66.13	63.99	80.86	81.62	86.33	74.86	66.30	65.13	60.82	74.17	
Washington.....	113.09	80.10	79.45	104.24	92.96	74.94	83.17	84.54	100.99	107.96	39.09	65.00	66.53	76.08	75.51	62.93	59.39	53.29	67.13	
Wisconsin.....	90.91	83.39	83.90	79.89	97.55	120.74	87.77	89.96	86.73	92.64	59.54	68.93	77.77	84.54	50.99	47.19	50.66	51.03	61.93	
Averages.....	78.70	76.90	70.62	82.86	76.64	78.46	75.40	77.08	77.88	76.33	78.78	77.64	79.99	79.92	78.58	77.80	79.05	78.28	80.18	
Industrial Co's.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
John Hancock.....	84.91	92.54	92.63	109.38	103.10	92.92	84.61	88.79	89.64	83.11	59.02	57.32	54.58	62.98	67.18	87.09	91.51	82.28	83.83	
Metropolitan.....	143.91	127.47	122.46	116.42	117.18	113.93	107.44	110.54	113.91	108.27	17.48	43.84	36.97	51.13	42.48	33.33	28.15	27.64	26.19	
Prudential.....	131.65	131.15	122.16	118.66	115.41	112.92	110.23	117.68	114.99	107.24	14.77	32.60	30.80	30.03	30.15	25.36	23.89	28.06	33.65	
Averages.....	127.83	122.02	116.41	114.77	113.06	110.14	104.49	109.28	110.23	103.46	23.13	40.91	37.35	43.21	39.92	33.90	30.18	31.51	33.36	

PERCENTAGES OF GAIN AND LOSS EXHIBIT FOR TEN YEARS—Continued.

COMPANIES.	PERCENTAGE OF SURPLUS EARNED TO MEAN RESERVES.										COMPANIES.	PERCENTAGE OF SURPLUS EARNED TO MEAN RESERVES.									
	1896	1897	1898	1899	1900	1901	1902	1903	1904	1905		1896	1897	1898	1899	1900	1901	1902	1903	1904	1905
Etna Life	3.15	3.35	4.10	Loss	2.64	2.95	2.43	1.91	2.85	2.83	National of U. S. of A.	-----	-----	-----	-----	-----	4.72	1.95	5.98	0.21	1.98
American Central	-----	-----	-----	-----	-----	-----	-----	-----	-----	5.24	National of Vermont...	3.09	2.29	1.67	0.71	1.83	1.86	2.03	2.04	2.72	1.96
Bankers of Nebraska...	-----	23.76	Loss	0.41	-----	-----	-----	-----	-----	7.95	New England	2.02	2.51	3.16	3.30	3.01	3.29	1.96	0.91	3.34	3.11
Bankers Reserve	-----	-----	-----	-----	-----	-----	-----	-----	-----	17.37	New York	3.12	2.98	4.27	3.43	3.37	2.71	1.92	1.08	2.60	3.21
Berkshire	4.68	4.69	3.69	3.05	3.71	3.33	-----	-----	-----	-----	Northwestern Mutual..	6.31	5.88	5.60	4.39	5.05	4.26	3.87	3.67	5.28	4.06
Canada	4.77	4.52	3.93	2.55	0.38	2.51	2.52	0.70	2.57	2.01	Pacific Mutual	2.72	3.73	3.31	3.24	3.89	8.19	3.92	3.82	4.00	5.46
Central Life	-----	-----	-----	-----	-----	-----	-----	-----	9.83	Loss	Penn Mutual	3.77	3.87	5.32	4.98	4.17	3.37	2.57	3.54	4.50	3.88
Chicago Life	-----	-----	-----	-----	-----	-----	-----	-----	Loss	Loss	Phoenix Mutual	1.69	2.37	2.30	0.81	2.42	2.50	2.41	1.82	2.25	2.00
Columbian National ...	-----	-----	-----	-----	-----	-----	-----	-----	28.99	16.84	Provident L. & Trust..	3.30	4.60	5.26	3.15	3.93	3.44	3.19	0.34	5.55	2.87
Connecticut General...	-----	2.18	2.73	1.13	2.27	2.36	1.72	1.26	2.03	1.08	Provident Savings	10.09	1.48	22.50	4.36	2.69	6.46	5.90	3.38	1.66	0.53
Connecticut Mutual ...	2.93	2.86	2.84	1.91	2.45	2.18	1.41	0.15	2.35	2.19	Reliance	-----	-----	-----	-----	-----	-----	-----	-----	Loss	Loss
Conservative	-----	-----	-----	-----	-----	-----	-----	-----	2.70	1.41	Reserve Loan	-----	-----	-----	-----	-----	-----	-----	-----	-----	6.94
Des Moines Life	-----	-----	-----	-----	-----	-----	4.25	11.12	18.48	1.58	Royal Union	-----	-----	-----	-----	-----	-----	-----	-----	-----	3.80
Equitable, New York...	3.04	5.61	5.34	3.18	3.91	3.29	2.85	1.13	4.60	Loss	Sec. L. & A. of Am...	-----	-----	-----	-----	41.42	24.46	6.79	3.02	Loss	Loss
Equitable of Iowa	5.11	4.60	5.77	6.69	6.20	3.50	3.67	6.51	4.52	5.80	Security Mutual	-----	-----	-----	-----	-----	-----	-----	-----	-----	0.76
Federal	-----	-----	-----	-----	1.37	13.91	9.64	9.79	10.35	6.13	Security Tr. and Life..	Loss	Loss	Loss	Loss	Loss	Loss	14.23	2.88	Loss	Loss
Fidelity Mutual	-----	-----	-----	Loss	18.84	6.53	1.67	-----	-----	5.80	State Life	-----	-----	32.77	36.41	38.41	16.85	12.17	5.52	10.26	4.60
Franklin	-----	-----	-----	-----	6.53	1.67	-----	-----	-----	3.65	State Mutual	3.67	3.29	4.30	3.67	4.53	4.04	4.22	1.52	4.24	2.87
Germania	1.99	3.28	2.57	1.51	2.51	2.45	2.76	1.52	1.83	1.61	Travelers	1.01	2.27	Loss	Loss	0.17	0.70	0.77	Loss	1.47	1.69
German Mutual	-----	-----	Loss	5.27	-----	-----	-----	-----	-----	2.16	Union Central	4.32	3.11	2.46	3.64	3.06	4.07	4.82	5.12	4.66	5.69
Hartford	-----	-----	-----	12.38	16.25	2.90	6.91	4.45	6.64	7.16	Union Mutual	1.67	0.74	1.08	0.69	1.10	1.35	1.65	Loss	1.80	2.02
Home	2.29	2.87	2.40	2.38	2.71	2.14	1.94	0.45	3.47	2.27	United States	0.17	3.13	3.51	0.21	0.84	1.22	1.08	1.61	2.45	0.15
Illinois Life	-----	-----	-----	-----	-----	-----	-----	-----	-----	1.48	Washington	1.49	0.92	0.97	1.75	1.44	0.09	1.91	0.43	0.20	0.84
Inter-State	-----	-----	-----	-----	-----	-----	-----	-----	-----	3.73	Wisconsin	-----	-----	-----	-----	-----	-----	-----	-----	0.48	4.52
Kansas City	-----	-----	-----	-----	-----	-----	-----	-----	-----	9.25	Averages	3.14	2.54	4.29	2.93	3.41	3.28	2.55	1.19	3.72	2.13
Manhattan	1.93	1.60	1.43	1.02	2.73	0.92	1.02	0.60	2.78	1.05	Industrial Companies.	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Massachusetts Mutual..	3.41	5.38	4.13	3.24	4.71	3.42	3.62	3.20	5.08	3.17	John Hancock	4.12	5.74	7.02	4.71	5.32	5.47	6.25	5.81	5.72	5.47
Michigan Mutual	2.51	2.02	1.41	0.80	2.31	0.56	1.03	1.37	0.70	0.71	Metropolitan	5.97	4.70	6.10	2.68	4.08	4.49	2.89	1.26	5.07	3.39
Minnesota Mutual	-----	-----	-----	-----	-----	-----	Loss	Loss	0.01	Loss	Prudential	6.10	10.49	5.98	2.68	3.84	3.43	7.84	2.61	6.32	6.76
Missouri State	-----	-----	-----	-----	-----	-----	-----	-----	-----	8.53	Averages	5.50	6.52	6.08	3.03	4.22	4.27	5.01	2.26	5.58	4.82
Mutual Benefit	3.37	3.78	3.98	3.38	3.27	3.03	2.68	2.40	3.09	2.71											
Mutual, New York	2.66	3.95	5.00	3.38	3.37	3.45	2.50	Loss	4.53	1.77											

from insurance sources was \$55,652,948, from which is to be deducted loss in market values of \$22,364,038, making the actual surplus earnings for the year \$33,288,910, as against \$67,005,248 in the previous year. Policyholders received in dividends and other credits \$41,849,509; the dividends to stockholders were \$627,821, and there was an apparent decrease in surplus holdings of \$9,188,420. Industrial companies show a much more favorable experience than in the previous year. Larger savings having been effected in expenses and interest earnings, while the mortality showing was better and a larger percentage of reserves was returned on surrendered policies. The three companies show a gain in earnings from insurance sources alone, fifty per cent greater than in 1904.

In the tables of percentages two columns are shown for the years following 1896, in both the expense and interest tables. One column gives the percentages including investment expenses, while the other omits those expenses. For the past three years the percentages of interest earnings to requirements do not include changes in market values. These tables are submitted to the insurance fraternity as the clearest and most convenient compilation of this much discussed exhibit, and their study will be productive of much valuable information.

VARIOUS ITEMS.

—B. Steben has become manager for the Equitable Life of New York in Ontario.

—A new life company is under way in Mexico, and will be known as the Continental; \$2,000,000 is the proposed capital, and the company will operate in Mexico, the West Indies and South America.

—During the first six months of this year the National Life of Vermont paid in death claims \$740,214; matured endowments, \$223,920; surrenders, \$421,074; to annuitants, \$100,192; dividends, \$114,357; total, \$1,599,757. Since January 1, 1906, the company has issued and revived 6719 policies for \$12,194,541.

Casualty, Surety and Miscellaneous

Comparative Argument Under the Eighty Per Cent and the Standard Form of Liability Policy.

[CONTRIBUTED.]

THE EIGHTY PER CENT POLICY.

Against loss from the liability imposed by law upon the assured for damages, and against loss from claims of such liability, on account of bodily injuries or death, accidentally suffered while this policy is in force, by any employee or employees of the assured while within the factory, shop or yard described in the schedule or upon the sidewalk or other ways immediately adjacent thereto, provided for the use of such employees or the public, in and during the operation of the trade or

business described in the schedule * * *. When on duty in the trade or business described therein, subject to the following * * * agreements * * * and conditions.

THE STANDARD FORM OF POLICY.

Against loss from common law or statutory liability for damages on account of bodily injuries, fatal or non-fatal, accidentally suffered within the period of this policy, by any employee or employees of the assured while on duty within the factory, shop or yards mentioned in the schedule hereinafter given, or upon the ways immediately adjacent thereto provided for the use of such employees or the public in and during the operation of the trade or business described in the said schedule.

The point at issue is the companies' conditions.

The eighty per cent policy states that the full amount of such sum, for which settlement may be effected by the assured that the company will reimburse him for is eighty per cent of such settlement, up to the sum of \$100, this being the limit of authority provided for under the contract, or \$80 of each \$100 thus expended, such settlement embracing medical, surgical, ambulance and funeral expenses, for which the assured has rendered himself liable on proper vouchers given to the corporation.

In every sense of the word the holder of such a policy contract is a co-insurer to the extent of twenty per cent on settlements which his influence with the injured employee would permit him to effect and in consequence of his ability to make a settlement (because he is able to do such a service in the interest of this corporation, to whom he pays a premium), he is made to suffer to the extent of twenty per cent on each and every settlement that might arise within the scope of his policy. The question presents itself, why should the assured indemnify the company to the extent of \$20 on each \$100 in settlement, when he pays a premium for complete and absolute protection?

The standard form of policy states that the assured shall not settle any claim or incur any expense without the consent of the company, but he may provide at the time of the accident such immediate surgical relief as is imperative, also that the assured when requested by the company shall aid in securing information, evidence, etc., in effecting settlements and in prosecuting appeals, but the regular form of liability contract does not hold that when the assured is able by influence or otherwise to effect a settlement, that he will be called upon to pay any part of such settlement, because he (the assured) pays a premium and in return receives absolute protection under the conditions of his policy.

Again referring to clause in the eighty per cent contract, wherein it is stated that the company will stand eighty per cent of medical, surgical, ambulance and funeral expenses up to \$100. The liberality of the standard form of contract is very clear because of the fact that its policy does not limit the amount of settlement, whereas the eighty per cent contract expressly stipulates that the limit of settlement there-

under shall not exceed \$100. It is easily shown that in the matter of funeral expenses the amount involved would necessarily take a stand in the question of settlement. Under the eighty per cent policy the absolute right is reserved to determine whether an appeal shall be taken from any judgment rendered; the conference form states that "the assured when requested by the company shall aid in prosecuting appeals," and the more liberal condition is made an easy comparison.

As an illustration of the comparative experience under both contracts, a quotation is made here from a letter which brings out the following facts:

We can not see our way clear to reverse our decision regarding the matter of liability insurance, although we admit that the eighty per cent policy contains some attractive features, but they are of no practical benefit to us, and, in fact, our experience is that our accidents cost more under the policy than under any other that we have tried, and in addition to the cost we find that there is a tendency to throw upon us the trouble of handling more trivial cases, which we desire to avoid. Our manager has made a comparison of the results and we feel that it is to our interest to return to the old form of policy even if it cost more in the beginning, for instance, in 1900 we had nine accidents, and the company took care of all but one, in which case we felt inclined to pay the man his wages, because he had been in our employ so long, so that the total cost that year was only \$17. Last year we only had five accidents, but our share of the first medical aid fees were \$9.50. We also paid wages in three cases, supposing that the company would reimburse us eighty per cent, but in one case we were unable to get the man to sign a release, and the company refused to reimburse us, which cost us \$30; in another case they asked us if we paid the wages because we believed that we were liable, and as we did not know whether we were liable or not, we withdrew the claim and stood it ourselves, which cost us \$18; in another case they did reimburse us, but our share was \$14, so that, taking it as a whole, we expended over and above the premium about \$71, and were put to an extra lot of trouble and correspondence, which we did not have the year before.

The eighty per cent policy states that the assured may make settlement up to a limit of \$100, provided he considers himself legally liable. What does the assured, as a layman, know about the law? He would not know whether he is liable or not, and it would be necessary for him to consult with an attorney and this would involve some expense and considerably increase the cost of his policy; for instance, should the assured make settlement with an injured employee, believing, as far as he could see, that he was liable for the accident, and in turn would present releases to the insurance company, and after investigation they considered that he was not liable, they would decline to reimburse him for the amount expended. Although the contract looks attractive it was never intended to be construed on such lines.

The intent of liability insurance being to cover the assured against the liability imposed by the law, the assured when purchasing the contract does so with the understanding that he is fully protected against such liability or responsibility in consequence of accidents in the operation of his plant, and if the intention of the assured is to cover his legal obligations in connection with accidents, he certainly desires full protection, and if the exact conditions of the eighty per cent policy were taken into consideration, he will observe that he is only receiving partial indemnity thereunder. The standard form of liability policy is a contract of insurance by which the company agrees for a stated estimated premium to protect a manufacturer against loss for damages on account of the liability imposed by the law, caused by the operation of the business in which he is engaged.

The effect of the eighty per cent policy is to make the assured a co-insurer, which is in direct contradiction to the primary purpose and intent of liability insurance, namely, to relieve the assured as far as possible, from all expenses, trouble and annoyance incident to claims or litigation resulting from accidents to persons in the conduct of his business. It is easily shown that the liability policy form referred to does not give the assured complete or satisfactory protection, and compels him to share in the payment of losses for protection against which he is required to pay a premium.

Casualty Notes.

—Feibleman & Co. have recently been appointed general agents of the Maryland Casualty at Newark, N. J.

—The American Live Stock Insurance Company has been incorporated at Beaumont, Tex. Randall Silverman is president.

—Thomas M. Robbins of Cleveland has been appointed resident secretary of the Frankfort Marine, Accident and Plate Glass in Ohio.

—Plate glass conditions in Chicago continue in a very unsatisfactory state. The three mutuals in that city contribute to the trouble, as they keep out of the congested area and write a choice business elsewhere.

They take little interest in rate agreements and some of the stock companies seem to have little faith in these compacts.

—The Casualty Company of America has secured the steam hoiler lines of the Rock Island and Chicago and Alton Railroads.

—C. E. Appler, formerly with the Ocean Accident in Chicago as general agent, has resigned to become Illinois general agent for the credit department of the London Guarantee and Accident.

—The report of the Interstate Commerce Commission for the three months ending March 31, shows that the total number of railroad casualties were 18,296, of which 1126 resulted in death.

—The Central Accident's latest policy provides elective benefits, and if death shall result from sunstroke, freezing, hydrophobia, or asphyxiation within ninety days, the principal sum will be paid.

—The Aetna Life has secured the writing of the contractor's liability insurance on the tunnel to be built by the New York, New Haven and Hartford Railroad through College Hill to the Seekonk river.

—George G. Brown has resigned as general agent for the Casualty of America in Southern Ohio, and is succeeded by the Leslie H. Webb Company of Cleveland, which will have charge of the entire State.

—The Guarantee Mortgage and Title Insurance Company of Passaic, N. J., has been licensed. It has a paid-up capital stock of \$250,000 and is a reorganization and reincorporation of the Guarantee Mortgage and Title Company which has been so successful.

—The Preferred's new "Paragon" policy provides, in addition to all the usual accident benefits, the ten per cent accumulative feature, pays indemnity at the end of each thirteen weeks of disability; gives beneficiary insurance with weekly indemnity as well as death benefits, and pays the full specific benefit for the loss of life, limb or eye if incurred during the 200 weeks' disability as well as the weekly indemnity for the disability period. The annual premium is \$30.

—In illustrating a point in connection with liability insurance in a paragraph in THE SPECTATOR last week, reference was made to an old suit decided some ten years ago to show the view the courts took as to the liability of the company and the assured for the expenses of litigation where a provision for such expenses is not specifically inserted in the insurance contract. In doing so there was no intention of making any invidious comparison with any company, for it is recognized that in the progress of liability insurance the companies have been particular to conform in their practices with the experience as it develops and with the decisions of the courts. The Travelers Insurance Company, to whom the decision referred to was given, in common with other companies, has developed its contracts along broad lines and has been ever ready to treat its numerous policyholders with justice and liberality. The business liability insurance bids fair to become one of the leading branches of insurance in this country, and as a prominent organization in this particular field the Travelers will unquestionably lead along the lines of liberality, which have enabled it to make such conspicuous success in life and accident insurance.

Surety Notes.

—W. S. Pangborn has been elected treasurer of the Empire State Surety Company.

—The latest States entered by the Metropolitan Surety are New Hampshire, Vermont, Oregon and Washington.

—The United States Fidelity and Guaranty will re-enter Oklahoma with T. M. Upham of Oklahoma as general agent.

—The Illinois Surety is now authorized to write individual bonds in the Surrogate Courts of New York county, up to \$50,000.

—Edwin M. McKinney, who has taken an active part in the organization and management of the Illinois Surety, has resigned.

—The Manhattan office of the Peoples Surety, now at 141 Broadway, will be moved about the middle of this month to the offices formerly occupied by the Maryland Casualty at 76 William street.

—Leonard Danimann, resident manager of the American Surety for a large Southern territory, has resigned to become assistant secretary of the National Surety, in charge of its contract department.

—In referring, last week, to the case of the receiver of the Security Fire of Little Rock against the Aetna Indemnity, the construction might be placed that the Aetna had sustained a heavy loss in San Francisco, whereas the intention was to refer to the fire company's reported losses elsewhere.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Austrian Phoenix Insurance Company of Vienna.

The following official notice denying liability in the San Francisco conflagration has been issued by the delegate sent from the home office of the company and the adjuster:

To the claimants of the Austrian Phoenix Insurance Company of Vienna: We wish to convey to you the instructions received from the home office of this company at Vienna, Austria, viz.: That all claims which have been filed against this company by reason of the earthquake which occurred in the morning of April 18, 1906, are invalid, as all policies of this company became null and void by said earthquake, as the same was wholly responsible for the conflagration that followed.

Commonwealth Insurance Company, Atlanta, Ga.

Officers: President, W. H. Austin; secretary, A. C. Huber. As of December 31, 1905, a printed statement of the company showed these assets: Cash in office, \$697; net unpaid premiums, \$1033; annual payments or premiums due and unpaid in course of collection, \$1721; annual payments or premiums in process of collection not yet due, \$344; due from members not yet assessed contingent liabilities as per by-laws, \$39,280; total, \$41,001. Its liabilities were stated as losses in process of adjustment or adjusted not due, \$1100; losses resisted by the company, \$1300; total, \$2400.

Concordia Fire Insurance Company, Milwaukee, Wis.

The statement of this company as of July 1, 1906, shows assets amounting to \$1,393,451, total liabilities (including \$225,022 reserve for outstanding losses, including San Francisco losses) \$973,409; reinsurance reserve, \$676,160; net surplus, \$120,043.

Fortuna General Insurance Company, Berlin, Germany.

This company, which was organized in 1868, in June, 1906, began writing fire and marine insurance in the United States on the Pacific Coast. Its statement as of January 1, 1905, showed assets amounting to \$702,970, including \$300,000 of stockholders' notes. Its capital was \$375,000.

Franklin Fire Insurance Company, Philadelphia, Pa.

The \$600,000 new stock which is being issued by the Franklin Fire will be sold at 200 per cent, thus providing \$600,000 additional surplus also. While it is intended to authorize the company to transact marine insurance, it will continue to transact fire insurance exclusively, as heretofore.

General Insurance Company, New York.

A company of this name is in process of organization by important business interests. It is to have \$250,000 capital and \$250,000 initial surplus, and it is anticipated that Elijah R. Kennedy, of the well-known managerial agency and brokerage firm of Weed & Kennedy, will be president.

Girard Fire and Marine Insurance Company, Philadelphia.

At a recent meeting of the board of directors it was decided to add \$200,000 to the capital of the company and \$400,000 to its surplus by the sale of \$200,000 of new stock at 300 per cent.

Merchants Fire Insurance Company, Little Rock, Ark.

A company bearing the above title has been organized, with a capital stock of \$200,000, of which \$100,000 is stated to have been subscribed and \$50,000 paid in. The incorporators are: C. J. Kramer, Leo Pfeifer, J. T. Longley, G. N. Peay, Ike Kempner, M. H. Johnson, T. T. Cotnam.

Milwaukee Fire Insurance Company, Milwaukee, Wis.

This company's statement July 1, 1906, shows that it possessed assets amounting to \$801,963. Its total liabilities (including \$185,507 reserve for San Francisco losses) were \$506,562; reinsurance reserve, \$300,064, and net surplus, \$95,401.

Minnesota Mutual Fire Insurance Company, St. Paul, Minn.

As of December 31, 1905, this company reported total assets, excluding \$7150 contingent liability of policyholders, amounting to \$5446, with no liabilities aside from the policyholders' obligations. The Insurance Commissioner of Minnesota has advised the company that he has considered the question as to its right to issue non-assessable policies, and has concluded that such action is not justified under its charter and the laws of the State; also that the company cannot have any other or greater powers in any other State than it has in Minnesota. The

Commissioner holds that the company has no right to issue a policy which does not purport upon its face to make the holder liable for payment of losses and expenses, not provided for by the cash funds of the company, in a sum at least equal to the amount of the cash premium paid upon the policy.

This company is understood to be writing surplus lines through Chas. E. Ring & Co. of New York.

North German Fire Insurance Company, Hamburg, Germany.

The North German Fire of Hamburg is denying liability for losses by the San Francisco conflagration, on the ground that the losses were from causes exempted in its contract.

Phenix Insurance Company, Brooklyn, N. Y.

This company announces that, as of June 30 last, it had \$650,000 of surplus, independent of \$1,000,000 additional surplus derived from the premium on new stock sold, after making ample provision for its San Francisco losses.

Security Insurance Company, New Haven, Conn.

The semi-annual statement of this company shows assets, \$2,095,676; capital, \$500,000; net surplus, \$219,589.

Traders Fire Insurance Company, Chicago.

Byron L. Smith has resigned as receiver of the Traders, and the court has appointed the State Bank of Chicago as his successor.

Western Insurance Company, Pittsburg, Pa.

As of June 30, the balance sheet of this company shows \$712,462 of assets; a capital of \$300,000, and a net surplus of \$102,614.

Revised San Francisco Loss Estimates.

In addition to the estimated net losses of the respective companies, as published in THE SPECTATOR on July 12 and 26, the following have been reported to the New York Insurance Department as of June 30, 1906:

Name and Location of Company.	Estimated Net Loss.	Name and Location of Company.	Estimated Net Loss.
American, Boston	\$369,923	Mercantile F. and M., Boston	\$383,707
American, Philadelphia*	1,100,000	Metropolitan, Chicago	1,000
Atlanta Birmingham, Ala....	100,000	Munich Reins., Munich.....	3,000,000
Boston, Boston	22,598	North German, New York....	199,195
Calumet, Chicago	656,000	Peter Cooper, New York....	41,804
Columbia, Jersey City.....	7,571	Salamandra, St. Petersburg..	300,000
Delaware, Dover	17,500	Security, Baltimore	100,000
Firemans Fund, San Fran...	3,500,000	Southern, New Orleans.....	2,500
German, Peoria	200,000	Stuyvesant, New York.....	91,940
Hamilton, New York.....	2,500	Teutonia, New Orleans.....	278,800
Home F. & M., San Francisco	1,500,000	Traders, Chicago	3,748,000
Jefferson, Philadelphia	27,166	Transatlantic, Hamburg	4,000,000
Mech. & Traders, N. Orleans	12,750		

* Estimated by New York Insurance Department; company refused to make a sworn statement.

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THURSDAY, AUG. 9, 1906.

No. 6.

AMENDMENTS TO THE ARMSTRONG LAWS.

THE further along the life insurance companies get in their efforts to reduce to practice the new requirements of the Armstrong laws the greater the injustice of some of the conditions imposed is discovered to be. The inequities of some of these requirements was pointed out at the time the Armstrong committee was in session, but the hue and cry against insurance companies was so great at that time that the earnest protest of practical life insurance men was brushed aside and the recommendations of an ill-advised and prejudiced committee were enacted into laws. The bulldozing methods of Senator Armstrong, aided by the coercive declaration by the Governor to the legislature that "whatever the committee says must go," succeeded in placing upon the statute books a series of undigested laws that have already worked great injury to one of the most beneficent and at the same time one of the strongest financial systems of the present time, and still greater injury will be done them unless measures are taken to have the objectionable features of the law wiped out as soon as possible after the meeting of the next legislature. One of the statements made when the committee's recommendations were under discussion was that the laws could be amended at any time, and it was worth while to give the drastic measures a year's trial. The companies have been diligently seeking official interpretations of some of the somewhat mixed conditions, and putting themselves in line to yield strict compliance with the laws, however detrimental it might be to their business. Some of them bear with especial severity upon companies of other States, and at present it looks very much as though a number of corporations would be forced to withdraw from New York in order to comply with the laws of their own States.

As it is to be taken for granted that amendments to the new laws will be in order when the next legislature assembles, it would seem to be the part of wisdom for the companies to unite upon some plan of procedure, and to have the amendments prepared by a committee of practical men whose knowledge of the business will enable them to forecast the effect of their work when subjected to actual operation. No

such knowledge was possessed by the Armstrong committee or its advisors, and the legislative body that will be called upon for final action is lamentably ignorant of insurance matters, which makes it essential that thoroughly practical men should be placed in charge of the work of revising and amending the laws as they stand. All companies are interested in securing proper amendments, as all are affected to some extent, and the suggestion is made that a committee be chosen by the companies to take up the new laws in detail, consult with company officials regarding them and to recommend such modifications or amendments as will be satisfactory to the companies and the public. As the matter stands now, a great injustice is being done the companies, and the public is threatened with the withdrawal of some of the facilities it has heretofore possessed for obtaining insurance upon their lives. It certainly is not the policy of the State to discourage persons from making the best and most substantial provision for their families, and to prevent want and suffering. Life insurance should be encouraged by statute, instead of being a subject for every legislator to buffet and burden as his fancy dictates.

LIFE insurance agents, who have had so much to contend against for some time past, should feel greatly encouraged by the present situation. The public mind, that was so much aroused by disclosures of irregularities on the part of a few individuals connected with the management of the largest of the companies as to lead to the sweeping condemnation of all companies, is coming to discriminate, and to realize that the shortcomings of a few individuals do not impair the integrity or the value of the system, and the pendulum is beginning to swing in the opposite direction. The accused persons have been removed from the positions they held, and the companies with which they were connected have been reorganized as to their executive management, and are now in the hands of competent and trustworthy men. The other companies, that were not involved in the scandals, still continue their conservative methods under the management of experienced and capable men, so that so far as the companies are concerned, they were never in better condition to warrant public confidence. These facts are full of encouragement to the field men, while still further grounds for encouragement are to be found in the extremely prosperous condition of the country. Reports from all sections indicate an unusual yield of all staple crops, the harvest, so far as completed, being excellent in quality and abundant in quantity. So far is this recognized as a fact that it has exercised a most favorable influence upon the stock exchanges of the large cities. Capital and speculators are keen observers of all conditions affecting values, and at the present time they are decidedly optimistic as to the outlook for the future. Under these prosperous conditions, and with money abundant, the outlook for life insurance field men is improved in a marked degree. But business will not come to them if they sit down in their offices and wait for it to come knocking at their doors. It must be sought for and corralled on the jump, as all kinds of business is done in this country. The agent who has felt discouraged of late can find much ground for encouragement in the present situation, and he should again buckle on his armor and get to work

with his old-time vigor. There is plenty of business to be done by men who are ambitious and will set to work in earnest to do it.

THE MIDDLE STATES.

Security Trust and Life Sold.

Last week THE SPECTATOR called attention to the fact that a change in the affairs of a life company having its headquarters in New York city was imminent. On Monday the Pittsburgh Life and Trust Company purchased the Security Trust and Life of Philadelphia, which latter company has its principal offices in New York. The home office of the Security will be removed to Pittsburgh and the company's affairs managed in conjunction with the Pittsburgh Life and Trust. All the officers and directors of the Security have resigned, and the officers of the Pittsburgh Life and Trust, headed by W. C. Baldwin as president, were elected in their stead. The combined insurance of the companies is \$33,000,000; assets, \$4,000,000, and income over \$1,600,000. The Security Trust and Life began business in 1895 as a sub-standard company, and for a time did a large business in that class of risks. Other companies opened departments for under average and sub-standard risks, and the Security not finding the business profitable ceased writing anything but select lives several years ago. The company was always on a three per cent basis and has met its obligations at all times.

THE WEST.

Colorado Reports on the State Life.

S. H. Wolfe has completed an examination of the State Life of Indiana for the Insurance Department of Colorado, with particular reference to the special contract experience, stock agency plan and other methods of management. The company is reported to be solvent, its investments well placed and its obligations are being met with reasonable promptness. The report of the Deputy Superintendent of Colorado goes on to say:

The management is, however, open to severe criticism for some of the business methods followed, especially for the organization of agency corporations, the success of which, so far as securing a large increase of business is concerned, appears to depend almost wholly upon the ability to deceive and mislead the public by making estimates of enormous and impossible future profits upon the premiums paid.

The company has issued a great many "special" or "board" contracts, three series being placed on the market, numbering in all 12,160, of which 10,997 were actually issued, and 7074 remain in force. The amount paid on these policies during the past twelve years in the form of dividends is \$632,460, which is about sixty-four per cent less than the estimates called for. The "board" contract has been given up in Colorado, but in its place is the stock agency plan, through which stock in the agency company is issued in connection with insurance. Speaking of this stock scheme the report says:

Taking a twenty-payment life policy for \$10,000, age thirty-five, as an example, you will notice from the charts that the total returns promised by the State Life Insurance Company on an ordinary non-participating life policy is ninety per cent, that the returns estimated on the twenty-payment participating policy is 135 per cent. On the same, with estimated special contract dividends deducted from premiums, the return promised was 302 per cent; while the same policy with the company's estimate of accumulations and the estimated dividends of the agency company combined, the estimated profit reaches 667 per cent, and on top of this must be placed the estimated value of the agency stock at the end of the twenty-year period. No printed estimate is made of this, but an affidavit accompanying this report indicates that the agency superintendent in Colorado dictated instructions to a solicitor to place the estimated value of the stock at the end of the twenty-year period at \$1500 per share. With this estimated valuation added, the percentage of return upon the original investment, if realized, would amount to 1055 per cent, which is, of course, preposterous.

The insurance company by going into this agency stock scheme, hoped to secure a large amount of new business at the minimum cost. In order to secure an extraordinary increase in new business, extraordinary inducements must be offered, and the extraordinary inducements offered in Colorado have been, under this agency plan, these estimates of fabulous returns upon the premium invested.

It is therefore plain that the basis of this scheme is the use of false pretense in soliciting, because if these deceptive methods were not used, the extraordinary volume of business would not be forthcoming. That this plan of soliciting was successful in Colorado is demonstrated by the fact that in 1904 the total business written amounted to \$570,442, and that since this agency stock scheme was put into effect, the business written has sometimes amounted to virtually that much in one month.

The agency stock plan is also worked in Indiana, where the State Agency Company was organized in 1906 with a capital of 80,000 shares at \$25 par value, amounting to \$2,000,000. The report comments as follows:

The State Agency Company immediately set out to sell stock, and owing to the backing and assistance given it by the officers of the State Life Insurance Company, over one-half million dollars was realized from the sale of this stock. I was informed that about 13,000 shares were sold outright, while something less than 500 shares was placed with insur-

INDUSTRIAL INSURANCE in the United States continues to make healthy progress each year as its benefits to the working classes become more and more apparent. In the great manufacturing States of the East and Middle West it is firmly intrenched, while in other sections of the country the agents are steadily adding to the business. In other columns of this issue of THE SPECTATOR will be found a showing of the business as at the close of 1905, which presents the figures of new business written, insurance in force, premiums received and losses paid in the several States by the various companies transacting this class of insurance. Six States have each more than one hundred million dollars of industrial insurance on the lives of their citizens, while five others exceed fifty millions each. The leading States in this respect, arranged in order of magnitude, are as follows: New York, \$552,263,459; Pennsylvania, \$358,634,682; New Jersey, \$212,214,727; Massachusetts, \$194,878,448; Ohio, \$138,842,690; Illinois, \$128,784,079; Missouri, \$90,870,285; Kentucky, \$87,949,412; Maryland, \$72,086,618; Connecticut, \$65,917,148, and Indiana, \$62,937,286.

AN improvement of about \$700,000 is noted in the July fire loss in the United States and Canada, as compared with the corresponding period last year, the losses in July last having amounted to \$12,428,050, as computed by The Journal of Commerce and Commercial Bulletin. During the first seven months of this year, the losses have aggregated \$380,093,600, against \$106,285,150 and \$184,457,650, respectively, in the corresponding periods of 1905 and 1904—the latter including the Baltimore conflagration losses. However, if the losses in none of the remaining months of this year exceed those of July, fire underwriters will be duly thankful.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

During the seven months of 1906 an average of more than 9000 people have applied each month for more than \$22,000,000 of new insurance in the New York Life.

J. H. Delesderniers, who has had the New York agency of the Philadelphia Casualty for several years, is going to oppose the company's action in terminating his contract, which had several years still to run, and opening a branch office in charge of E. G. Letzkus. Mr. Delesderniers has sent a letter to all the city brokers, in which he calls attention to the fact that his contract had several years to run. It is expected that the matter will be taken to court.

An executive committee meeting of the Life Underwriters Association of New York was held at 220 Broadway on August 6, for the purpose of acting upon a number of proposals for membership. The New York association desires to appoint as delegates to the national convention, to be held in St. Louis on October 23, 24 and 25, only those who will attend, and members are asked to notify the president if they will accept an appointment as delegate.

ance. This agency company, in addition to assuming the heavy burdens of the Colorado estimates of future profits, undertook to pay the State Life Insurance Company \$1,000,000 in installments for the privilege of soliciting business for it. This was an extraordinary proceeding, inasmuch as up to the time this agency company was organized it had never appeared to anyone that the territory of Indiana and Illinois was worth any such sum of money, or, in fact, any money at all. The fact that this matter was threshed out by the directors of the State Life, and approved by them, indicates that they must have had visions of extraordinary profits to come to the agency company, and inasmuch as these profits could only come out of the pockets of the policyholders, each policyholder of this company had a vital interest in this proceeding.

Soon after a large sum of money had been accumulated by this agency company, O. L. Van Laningham resigned as president and presented a proposition to the directors, a majority of whom were of his own selection, that they pay the State Life Insurance Company \$250,000 for the privilege of soliciting in two Western States, and to pay him personally approximately the same sum for his contract covering three or four States west of the Mississippi. Inasmuch as it was not generally known that the territory referred to had any particular cash value, and inasmuch as there had been no known demand for it at any price prior to this, the transaction aroused considerable opposition among the stockholders, who took it into court, and Mr. Van Laningham withdrew his proposition and returned to the agency company over \$100,000 which he had received on his proposition. He still holds the contract in his own name, and I am informed has incorporated a company in Colorado to operate it. By this scheme Mr. Van Laningham and the directors of the State Life Insurance Company had transformed, almost in the twinkling of an eye, simply by saying so, contracts that were of but nominal value and for which there was absolutely no demand, into values ranging from \$250,000 to \$1,000,000. This very remarkable piece of financiering is now in a fair way to be severely rebuked by the stockholders interested. The Auditor of Indiana announced, on the day our examination was completed, his intention to officially investigate the operations of both the agency and the insurance company.

The commissions allowed this agency company are scaled from eighty per cent down, and it was to receive seven and one-half per cent renewal commission on business in force when the company was organized.

—The Western Reserve Life of Muncie, Ind., has been chartered as an assessment company.

—The Lincoln National Life of Fort Wayne reports July to have been its best month so far, its writings being \$515,500.

—Charles L. Pierce of Pasadena, Cal., is at the head of a new fraternal order to take the place of the defunct Order of Pendo.

—The American Central Life is pushing forward the work of remodeling its building in Indianapolis, which is located on Monument Place, the geographical center of the city and a location of general public interest.

—The Elkhart Mutual Life of Indiana, which made a specialty of insuring persons past the ages generally considered insurable by life companies, has been refused a renewal of its license, and the Marquette Mutual of Chicago has taken over the business.

—Danford M. Baker, Chicago manager for the Pacific Mutual Life, has appointed his successors, having recently been elected vice-president of the company. Hereafter the work will be divided, H. B. Morgan taking charge of the accident department, while D. H. Bitner will be in charge of the life department.

—Superintendent Vandiver of Missouri has threatened to revoke the license of the Chicago Life unless it stops writing special contracts. The special contract complained of is a certificate of stock in a trust fund association, organized by the Southwestern managers of the company, and, so far as the records show, without the knowledge of the insurance company itself.

—The Western Life Indemnity's recent troubles were recalled on Monday when an amended and supplemental bill was filed in the United States Circuit Court at Chicago, following the entry of an order by Judge Kohlsaat. The order of the court restrains the reinsurance of the company in the Security Life and Annuity Company, refuses the appointment of a receiver and sustains the demurrer to the original bill of complaint.

—H. C. Henry, president of the National Bank of Commerce of Seattle, has been elected president of the new Northern Life Insurance Company; T. M. Morgan is secretary, and D. B. Morgan, general manager. The articles of incorporation provide that whenever 100 policyholders shall request it the meeting of policyholders shall be called, which may take entire control of the company, electing new officers and trustees if desired. Proxies are forbidden. For the present, the company will operate in the State of Washington.

—A Western assessment life company recently made application for admission to Missouri, and this is the answer it received from Commissioner Vandiver: "Please excuse me for being brief and to the point. I do not wish to be discourteous, but would like to be frank with you. If I can find any means at my command to keep you, or anybody else, from writing life insurance in Missouri on the assessment plan, I shall most certainly do so. The history of assessment insurance in this State is too fresh in our minds to admit of its being repeated if it can be avoided. I hope you will not insist on making application."

—R. C. Maginity, representative at St. Louis, Mo., of the Columbian Insurance Company of Indianapolis, has resigned, and will be succeeded by Jones Moore, recently in charge of the Columbian's Minneapolis office. Mr. Moore is conceded to be an able health and accident insurance man, and the Columbian expects their business will rapidly increase at that point under his supervision. At

Minneapolis, Warren A. Hayes will succeed Mr. Moore. Mr. Hayes has a very satisfactory record as a fire insurance man, and it is expected he will make good in the health and accident business.

—The \$100,000 Club of the Illinois Life will publish its list of winners on August 15. The presidency, which goes to the member writing the largest amount, seems, from present indications, to lie between Guy M. Withers of Missouri, Frank Tyner of Indiana and T. J. Cooke of Louisville. The club will hold its annual meeting at Cedar Point, Ohio, August 23 to 25.

—The State Auditor of Iowa has completed an examination of the affairs of the Bankers Life Association of Iowa, and reports the condition of the association on May 31, 1906, as follows: Total admitted assets \$9,573,414. The liabilities consist of losses unadjusted, \$112,800; losses and claims resisted, \$14,000; mortuary fund, \$427,746; guarantee fund, \$5,050,270; reserve fund, \$3,892,237; general or expense ("contingent") fund, \$76,361. The salary list of the association shows that in 1905 the nine officers received \$37,267, and the employees \$40,413.

MISCELLANEOUS LIFE NEWS.

Life Assurance in Great Britain.

[FROM OUR LONDON CORRESPONDENT.]

The position as regards American life assurance business has undergone but little change since my last. The struggle between the British and American offices centers almost entirely upon "results." With regard to new business I have it on excellent authority that the American offices have suffered severely. Nor is this other than what was expected in the best informed quarters. As regards new business, the confidence of the public will have, to a large extent, to be re-acquired, and this is a process which naturally takes time.

I hear that the North British are now discouraging the transfer of the older policies in American offices. Indeed, although the circulars emanating from this office gave the idea that a large amount of business would be taken over en bloc, there can be but little doubt that to a large extent each case has been considered on its merits. I mentioned, a fortnight ago, that the North British had taken over a large number of policies and this is confirmed by a rumor which I have just heard that this office has, up to date, secured the transfer of policies assuring, in round figures, a total of £1,000,000—nor has the stream of business ceased to flow in this direction.

Not only has the subject of American life assurance recently loomed large in the columns of the press on this side, but it has, also, attracted the attention of members of Parliament, and questions have been asked in the House of Commons.

At the end of last month Mr. Field, M. P., asked the president of the Board of Trade whether he would consider the advisability of establishing an Insurance State Department, with Government auditors, to investigate and report on the solvency of all British, Colonial, American and foreign insurance companies transacting business in the United Kingdom and Mr. Kearley replied that as at present advised there was no intention of introducing legislation of the nature suggested. Certain questions affecting the interests of British policyholders in foreign and Colonial life assurance companies transacting business in the United Kingdom were now being considered by a committee of the House of Lords.

Mr. Field further asked whether, in the interests of British policyholders in American insurance companies, the president of the Board of Trade would communicate with the United States Government Insurance Department as to the recent investigations in New York respecting American offices, and give a report of the same and also of the laws recently passed by the United States Government for the protection of policyholders; and whether he would consider the advisability of amending the life assurance companies act of 1870.

Mr. Lloyd-George promised that he would bring the honorable member's question before the committee considering the subject.

In reply to a further question by Mr. Field, Mr. Lloyd-George said that the life assurance companies acts do not give the Board of Trade any powers with regard to the trustees of governing bodies of insurance companies, and, as at present advised, he has no intention of initiating fresh legislation for the purpose.

Much satisfaction is felt among British actuaries and other insurance men, that the recent crisis in American life assurance has had the effect of bringing into power two such distinguished actuaries as Mr. McClintock of the Mutual and Mr. Weeks of the New York Life. Both Mr. McClintock and Mr. Weeks are members of the Institute of Actuaries (London).

It is reported this week that the staff of one of the great American life offices operating in this country has just received twelve months' notice. This, if correct, is possibly a precautionary measure brought about by the scarcity of new business in this direction.

Scarcely an accident happens nowadays without the subject of In-

insurance gaining prominence. In the recent disastrous accident at Salisbury to the American boat train, a total of \$118,650 of insurance was carried by the Equitable Life of the United States. Two policies of \$10,000 each were held by Louis Cassier of New York, and a third had been issued to him on June 22, the day before sailing, for a similar amount. Franklin W. Koch of Allentown, Pa., had two paid-up policies for \$5825 each, one for \$5000, which had been in force many years, and a fourth for \$65,000, which was taken out in 1904. Charles E. Sentell of Brooklyn had an old policy for \$4000 and a more recent one for \$3000. The Equitable thus receives a striking advertisement, on this side, and at a not inopportune moment.

The far-reaching nature of this company's operations is further emphasized by the fact now made public that the late Alfred Beit was insured therein for £20,000, upon which he had paid premiums amounting to £11,000. A note of this is being freely circulated in the press.

London, July 30.

CHARTERS.

The Campaign for Trustees.

During the past week there has been the usual outpouring of criticism upon the management of the mutual companies whose trustees are to be elected according to law in December next. The spokesman for the international policyholders committee still persists in impugning the motives of the managers of the Mutual Life in particular and urges the policyholders to wait until the opposition ticket is announced. Court proceedings have involved the filing of briefs and supplementary briefs in the suit to compel the removal of the names of four gentlemen named on the Mutual Life's ticket, while one of the gentlemen has brought mandamus proceedings to compel the omission of his name. Another suit seeks to compel the Mutual Life to furnish a correct list of names and addresses, the one filed at Albany being alleged to be very incomplete and full of errors. Samuel Untermyer, counsel for the international policyholders committee, in an open letter declines to have his name used on the opposition ticket.

VARIOUS ITEMS.

—The Odd Fellows Relief Association of Kingston, Ont., has increased its rates twenty per cent.

—An act to incorporate the United Empire Life, a Canadian organization, received the royal assent on July 13.

—The death losses paid by the Travelers in the second quarter of 1906 amounted to \$445,876 in the life department, and \$114,825 under personal accident policies, making a total of \$560,701.

—The prospectus issued by the Annuity Company of Canada states that the capital stock will be \$1,000,000, ten per cent paid up. The president of the company is Robert Muir of Winnipeg; vice-president, J. Y. Griffin, Winnipeg, and G. J. Lovell, secretary.

—The Insurance Commissioner of Maryland has ordered the Columbian National Life to cease selling stock in the American Investment Securities Company in conjunction with life insurance, claiming that this practice is simply another form of rebate.

—The 1906 business of the Baltimore Life to date has been very good, and its increases compare favorably with previous years. It has now passed the million-dollar mark in assets and bids fair to make a creditable showing at the close of the year. Its general counsel and treasurer, Alfred S. Niles, has just been appointed by Governor Warfield of the State of Maryland, one of the judges of the Supreme Bench of Baltimore city, to succeed the late Thomas S. Baer.

INDUSTRIAL INSURANCE

The Prudential Agents Creed.

I believe in the policies I am selling, in the company I am working for, and in my ability to get results.

I believe that honest goods can be sold to honest men by honest methods.

I believe in working, not waiting; in laughing, not weeping; in boosting, not knocking, and in the pleasure of straight canvassing.

I believe that a man gets what he goes after; that one application to-day is worth two applications promised for to-morrow; and that no man is down and out until he has lost faith in himself.

I believe in to-day and the work I am doing; in to-morrow and the work I hope to do; and in the sure reward which the future holds.

I believe in courtesy, in generosity, in good cheer, in kindness, in friendship, and in honest competition.

I believe there is an application somewhere for every agent ready to write one.

I believe I am ready right now!—The Prudential Record.

Industrial Business in Each State in 1905.

THE following table shows the industrial business transacted in the different States during 1905. The items are given separately for the various companies and are taken from official sources. The arrangement is according to the volume of insurance in force:

	New Business.	Premiums Received.	Losses Incurred.	Insurance in Force.
<i>Alabama.</i>	\$	\$	\$	\$
Metropolitan.....	2,208,805	.....	32,961	4,806,014
<i>Arkansas.</i>				
Metropolitan.....	1,760,270	.....	.....	2,118,160
<i>California.</i>				
Metropolitan.....	8,480,949	735,705	175,855	22,781,076
<i>Colorado.</i>				
Prudential.....	2,069,134	178,929	43,655	4,871,010
<i>Connecticut.</i>				
Metropolitan.....	7,980,596	1,337,755	516,208	40,994,283
John Hancock.....	3,304,926	610,866	227,994	14,219,060
Prudential.....	3,195,830	403,656	139,286	10,713,805
<i>Delaware.</i>				
Prudential.....	1,660,075	257,278	76,725	6,796,393
Metropolitan.....	1,764,853	185,654	54,751	5,770,721
Home of Delaware.....	314,842	39,375	10,995	1,059,853
Baltimore.....	175,271	9,266	1,884	118,570
Equitable Ind.....	2,361	4	.....	2,361
<i>District of Columbia.</i>				
Metropolitan.....	3,184,329	521,530	165,820	15,876,394
Prudential.....	1,395,626	189,001	47,128	5,123,313
Equitable Industrial.....	1,372,250	99,156	34,824	2,738,295
Life Insurance Co. of Virginia.....	396,213	50,224	15,077	1,257,537
Baltimore Life.....	317,311	40,111	17,133	418,566
<i>Florida.</i>				
Metropolitan.....	184,599	1,759	25	177,548
<i>Georgia.</i>				
Metropolitan.....	4,714,102	323,295	89,032	10,490,756
Life Insurance Co. of Virginia.....	1,034,105	22,148	3,419	727,340
<i>Illinois.</i>				
Metropolitan.....	22,831,486	2,268,735	588,933	71,988,933
Prudential.....	18,376,977	1,977,331	484,913	52,028,396
John Hancock.....	2,972,322	154,359	51,935	4,766,750
<i>Indiana.</i>				
Prudential.....	10,884,551	1,217,717	285,830	32,114,686
Metropolitan.....	10,240,308	.....	212,292	28,681,807
Life Insurance Co. of Virginia.....	905,368	.....	18,194	2,140,793
<i>Iowa.</i>				
Metropolitan.....	3,263,770	216,228	41,050	7,072,201
Prudential.....	1,723,631	133,576	30,621	3,556,452
<i>Kansas.</i>				
Metropolitan.....	3,338,290	.....	59,736	7,775,938
Prudential.....	1,384,327	102,018	17,522	2,876,526
<i>Kentucky.</i>				
Metropolitan.....	16,349,952	2,325,023	682,171	71,684,918
Prudential.....	3,549,084	374,546	102,610	10,005,121
Western and Southern.....	1,912,239	229,109	76,614	5,564,176
Commonwealth.....	1,023,859	.....	2,407	695,197
<i>Louisiana.</i>				
Metropolitan.....	3,771,987	.....	137,785	13,184,591
Life Insurance Co. of Virginia.....	2,565,726	373,250	112,070	8,846,951
<i>Maine.</i>				
Metropolitan.....	3,443,693	343,839	82,420	10,713,838
Prudential.....	521,066	43,403	11,452	1,182,426
<i>Maryland.</i>				
Metropolitan.....	8,277,902	.....	386,594	39,205,592
Prudential.....	4,398,387	609,831	174,387	15,951,747
John Hancock.....	1,510,686	180,046	47,571	5,843,875
Mutual of Baltimore.....	2,279,010	235,202	101,320	4,791,450
Baltimore Life.....	2,610,793	266,511	126,194	3,503,349
Immediate Benefit.....	1,270,276	88,603	20,777	1,592,625
Eureka.....	1,141,379	128,492	44,146	1,197,980
<i>Massachusetts.</i>				
Metropolitan.....	21,489,866	3,367,405	1,226,743	102,839,564
John Hancock.....	13,582,554	2,501,837	835,254	59,250,039
Prudential.....	8,846,634	924,848	288,531	24,127,028
Boston Mutual.....	9,423,808	133,068	.....	4,349,881
Columbian National.....	6,015,114	154,147	52,295	4,310,397
Germania.....	.....	77	326	1,540
<i>Michigan.</i>				
Metropolitan.....	6,867,987	.....	128,218	18,860,502
Prudential.....	3,803,555	319,403	72,343	8,601,197
John Hancock.....	848,001	55,998	12,309	1,924,136
<i>Minnesota.</i>				
Metropolitan.....	1,684,101	144,894	28,896	4,576,284
Prudential.....	2,048,694	153,130	35,815	4,234,740
<i>Missouri.</i>				
Metropolitan.....	17,468,195	.....	630,760	63,042,066
Prudential.....	9,745,978	910,311	243,380	23,940,945
John Hancock.....	1,884,057	127,976	35,191	3,887,274
<i>Montana.</i>				
Metropolitan.....	618,894	.....	7,778	1,264,224

INDUSTRIAL BUSINESS IN EACH STATE IN 1905—Continued.

	New Business.	Premiums Received.	Losses Incurred.	Insurance in Force
<i>Nebraska.</i>				
Metropolitan.....	\$ 1,124,459	\$ 83,364	\$ 17,054	\$ 2,637,614
Prudential.....	860,948	67,200	14,318	1,784,538
<i>New Hampshire.</i>				
Metropolitan.....	2,405,057	294,079	94,392	9,188,096
Prudential.....	370,268	35,098	8,761	948,233
Columbian National.....	591,460	15,114	11,000	665,740
<i>New Jersey.</i>				
Prudential.....	19,225,088	3,931,173	1,365,536	102,354,383
Metropolitan.....	17,083,600	2,942,726	1,047,221	90,169,765
John Hancock.....	3,390,068	468,041	166,053	12,689,562
Colonial.....	3,565,417	250,815	73,001	6,786,352
Columbian National.....	571,688	6,163	1,337	195,112
Germania.....	.....	926	943	19,553
<i>New York.</i>				
Metropolitan.....	56,923,538	8,126,781	3,076,744	251,224,805
Prudential.....	48,698,018	7,645,061	2,846,868	199,056,158
John Hancock.....	18,488,247	3,825,700	1,424,008	98,404,973
Colonial.....	2,867,076	98,720	31,363	2,734,515
Columbian National.....	1,882,990	11,634	.....	843,008
<i>North Carolina.</i>				
Life Insurance Co. of Virginia.....	2,647,946	340,942	82,470	9,030,847
Metropolitan.....	2,864,826	66,226	9,674	2,810,458
<i>Ohio.</i>				
Metropolitan.....	16,349,952	2,325,023	682,170	71,684,918
Prudential.....	16,087,238	1,754,242	489,129	46,727,920
Western and Southern.....	8,700,931	922,094	244,041	20,428,800
Germania.....	.....	45	.....	1,052
<i>Pennsylvania.</i>				
Prudential.....	42,115,347	6,350,207	1,812,991	165,680,441
Metropolitan.....	38,423,312	.....	1,509,418	154,511,795
John Hancock.....	5,583,441	1,089,066	331,124	30,920,709
Baltimore Life.....	2,213,346	217,954	95,059	3,114,574
Colonial.....	2,774,348	82,023	14,073	2,365,696
Columbian National.....	2,610,629	39,702	13,411	1,284,350
Western and Southern.....	620,228	31,262	5,106	757,089
<i>Rhode Island.</i>				
Metropolitan.....	4,214,029	734,391	269,611	22,545,066
John Hancock.....	3,156,419	566,479	169,735	13,601,440
Prudential.....	1,249,903	132,281	38,919	3,563,330
Columbian National.....	1,280,244	26,193	7,907	730,546
<i>South Carolina.</i>				
Life Insurance Co. of Virginia.....	2,600,305	269,887	67,188	7,581,401
Metropolitan.....	1,095,903	25,068	3,493	1,076,327
<i>Tennessee.</i>				
Metropolitan.....	8,538,237	604,434	175,438	20,078,609
<i>Texas.</i>				
Metropolitan.....	4,425,671	224,111	46,232	7,304,333
<i>Utah.</i>				
Metropolitan.....	688,803	.....	5,531	1,641,515
<i>Vermont.</i>				
Metropolitan.....	1,311,942	133,820	18,562	4,128,991
Columbian National.....	700,396	16,271	4,603	504,871
Prudential.....	33,607	5,947	1,834	149,982
<i>Virginia.</i>				
Metropolitan.....	5,631,630	532,886	177,411	16,965,989
Life Insurance Co. of Virginia.....	3,211,870	.....	134,945	12,457,244
<i>Washington.</i>				
Metropolitan.....	1,888,913	110,711	13,837	3,682,956
<i>West Virginia.</i>				
Metropolitan.....	2,690,212	198,230	44,318	6,447,245
Prudential.....	1,302,555	79,440	12,470	2,146,358
Equitable Industrial.....	397,782	15,739	4,638	432,899
Life Insurance Co. of Virginia.....	68,391	10,923	2,784	225,909
<i>Wisconsin.</i>				
Metropolitan.....	3,848,021	.....	67,912	11,753,643
Prudential.....	3,240,286	273,048	80,358	9,966,972

Industrial Notes.

—The Prudential is running a seven weeks' art competition.

—During the first half of 1906 the Columbian National Life wrote \$8,285,000 new industrial business.

—The Orange and Roseville districts of the Metropolitan had a contest in June, the Orange staff winning out.

—The Prudential's Chicago districts Nos. 1 and 2 have arranged a joint increase contest of four weeks' duration, the losing superintendent to pay the cost of a day's outing.

—Superintendent R. G. Weis of the Staten Island district of the Prudential has received his Class D certificate and Prudential old guard badge for twenty years' continuous service.

—The Harrison staff of the Prudential had a very successful outing at Rockaway Beach, as a result of winning in the summer outing contest.

Besides souvenirs, which were given to the entire staff, four handsome prizes were presented to Agents E. Johnston, B. Flannagan, S. Harrison and D. Asher for the best records made.

—Superintendent Buckner of Savannah is still leading the forces of the Life Insurance Company of Virginia, with Miles of Charlotte, Simes of Greenville, and Harrison of Atlanta in close pursuit.

—The Charlotte district of the Life Insurance Company of Virginia has just completed the best week it has had in seven years. Superintendent Page and his force are setting a great example to the rest of the field force.

—The Colonial reports the following appointments to assistantcies: Edward C. Martin, New York; Albert A. Bell, West Philadelphia; Chas. H. Miller, Bronx; Manuel Rivera, Jr., Brooklyn; John B. Lang, Jersey City, and John W. Mullen, Philadelphia.

—As the result of a contest, arranged early in the year, between the Fall River and Brockton districts of the Prudential, four assistants and nine agents from the former district and two assistants and one agent from the latter visited the home office last month.

—These are the most recent Prudential promotions of agents to the rank of assistant: E. A. Eggers, West Hoboken; T. H. Conard, Erie; W. A. Matter, Williamsport; L. P. Gilliam, Covington; G. E. Cox, Richmond; L. J. Olsen, Chicago 7; G. D. Fortune, Quincy; J. S. Matter, York; R. C. Jones, Cedar Rapids; V. F. Johuson, Davenport; C. H. Blackwell, St. Louis 4.

—The ten Metropolitan leaders in ordinary for the half year ending June 30 are: Buffalo, N. Y., Dr. Staniland; Morrisania, N. Y., Mr. Weigel; Riverside-New York, Mr. Ridgeway; Clifton-Cincinnati, Mr. Dolph; Brooklyn, N. Y., Mr. Voshell; New Orleans, La., Mr. McHardy; Iroquois-Buffalo, Mr. Schwing; Forest Park, St. Louis, Mr. Byrne; Cincinnati, Ohio, Mr. Brown; Washington, D. C., Mr. Cook.

—Changes reported in the Metropolitan staff: The company has decided to withdraw the superintendent at Erie, Pa., making it an assistantcy point, attached to the Seneca (Buffalo) district. Alfred Lyons, superintendent at Providence, R. I., has had to resign owing to continued ill health. Fred Shaw has resigned as superintendent of the Claremont (Md.) district for the Metropolitan and will return to Huddersfield, England, to engage in woolen manufacturing.

—The Prudential's leading superintendents in industrial for 1906 are: G. J. Wink, Wilmington; J. M. Mackintosh, McKeesport; J. Reid, Milwaukee 1; Z. T. Miller, New York 8; W. H. Joyce, Buffalo 1. The five leading assistants on July 23, are: S. P. Miller, Joplin; P. M. Russell, New Albany; B. R. Cosby, Joplin; C. P. Wurster, Charleston; M. Mayer, Long Island City. The superintendents who stand highest in ordinary production are: Z. T. Miller, New York 8; W. H. Joyce, Buffalo 1; D. Reinharz, West Hoboken; J. T. McKenna, New York 3; M. J. Leouard, New Haven; E. C. Foppert of West Hoboken continues to lead the assistants in ordinary and just behind him are: M. Phillips, New Haven; G. Schimoller, Hamilton; J. M. Kistler, Braddock; H. Robinson, Germantown.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

It is more than likely the New York Board and the Exchange will lease new rooms in the Royal's building after the expiration of its present term in the Mutual Life building. The space can be had, and the price is materially less than the present rent. But the matter is not finally settled, and the annoyance of removal and the certainty that the present accommodations can be made to suit, causes a fear in some minds that it will be impolitic to move at all. In the meantime, the Mutual Life has demanded an increase in the rental.

The proof of loss for one of the first of the American Dock Stores cotton losses were served last week. This was an outside and partial loss, estimated at twenty-five per cent. The proof shows that the settlement was on a basis of fourteen per cent. The other cotton losses are dragging along in the adjustment bureau, awaiting salvage returns.

The city authorities are slow and dilatory about the improvement in the fire department signal alarm service. The commissioner obtained an appropriation of \$25,000 some weeks ago to secure plans of

engineers, and still the work lags. It was understood he was prepared to accept the services of engineers employed by the Board of Underwriters to investigate the system, but nothing has been done in that direction thus far. The work is necessary to the protection of the city, and it is a public scandal that so little progress has been made.

An interesting question has arisen relative to the new special committee, ordered by the Board, on economies of administration. It is contended that the old committee, appointed nearly a year ago, has never been discharged and is still in existence. Special committees, unlike elective standing committees, do not die when a new president and vice-president are elected. There is a probability that, at the next monthly meeting, the question will be raised as to the validity of the new appointment; indeed, the new committee is somewhat in doubt on the subject, and may bring up the matter for discussion.

Evidently some of the companies which are offering fifty or sixty cents on their policies in San Francisco, upon the plea that this is the limit of their ability to pay, may be discredited here very soon. There is a growing storm on the Pacific Coast toward companies which are paying 100 per cent in the East and offering only fifty per cent on the Coast.

Certain zealous brokers have taken up policies of sundry companies, which have heretofore been in good standing, and canceled them on the score of bad credit on the Pacific Coast. We have heard of one merchant who had a list of companies from San Francisco which he regarded with disfavor and told his broker to cancel. Upon this hint, the broker canceled other lines in the same companies, and speedily had a hornet's nest about his ears from the discredited offices. The brokers are more embarrassed now than in the last week of April. Then they acted upon fresh information; now they are turning down companies which in April and May they deliberately accepted.

The Exchange has adopted a series of rules regulating the storage of fibers, and made the requirements more severe than ever before. The Cotton Exchange, through its warehouse committee, has accepted the new regulations and promised to enforce them. But the Exchange provides for rigid inspections to see that the rules are enforced, and will also exact severe penalties against warehouses where cotton is piled improperly. The business is not now active, and the changes can easily be effected.

The partial returns for the first six months of this year show a general increase in premiums, due largely to increased demand, but to some extent to the increased rates of the months of May and June. In spite of the reported reduction in lines by the leading companies, it is observed these companies take a stronger lead than ever in the increased income. The German-American is now the leader, and appears to have maintained its reputation for liberal underwriting. The Hanover shows a large reduction, which is not surprising. The variation in this company's local receipts for several years has been the subject of frequent comment. The management a few years ago was intensely conservative, and the broker who could obtain a binder for \$10,000 lines on a choice risk was congratulated. Then the local ideas changed and the company took \$50,000 lines on storage and sprinklered risks. The Baltimore fire caused a halt for a few months, but the company held up until the San Francisco fire, which revived the conservatism and led to extensive restrictions. The few companies which in the patrol returns show a reduction are in contrast to their neighbors.

The general satisfaction of the companies with the work of the loss committee of the New York Board of Underwriters is not without occasional criticism upon some of its methods and complaints of its slowness. The adjusters who do not receive committee adjustments regularly and frequently have their friends among the companies, and the latter sometimes make uncomplimentary remarks about the frequent employment of particular adjusters. This kind of comment is not harsh, but regretful. We believe, from a few inquiries, it is unjust. The selection of adjusters is bound to follow a dominant interest in a loss, and if there were no committee the majority interest

would largely govern. There is no complaint that the service is inefficient, and the critics are obliged to admit it.

BOSTON AND VICINITY.

The Boston Board of Fire Underwriters has passed the following rule:

On and after the passage of this rule, no portion of the premium shall be returned or any allowance made on account of change in rate on policy in force on any risk, unless said allowance shall amount to at least one dollar, excepting that the usual allowance may be made for fire protection appliances, as printed in the hand-book. * * *

The tariff committee of the Boston board reported a rule as to the restriction of celluloid in risks using celluloid in manufacturing. The rule provides that all celluloid dust from machines shall be removed by blower system to outside fireproof receptacles, that all celluloid waste and scrap shall be kept in metal receptacles and removed at least thirty feet from factory each night, and that the main supply of raw stock shall be stored at least thirty feet from factory, amount of raw stock to be allowed inside of factory to be limited to one day's supply, but not exceeding 250 pounds at any one time.

The board has voted that the question of rates on storage warehouses be referred to the tariff committee, with instructions to report as soon as possible.

The proposal to increase the rates fifteen per cent on that part of the municipal limits of the city of Boston where such increase does not now apply, was rejected by the board.

The New Hampshire Fire has decided to suspend business in California until it is known what is to be done there in the way of legislation. The company prefers to hold off from doing any new business there until the situation becomes settled.

William A. Muller has obtained satisfaction in his case against the John P. Squire & Co. corporation, the big pork packers, whose factories are at Cambridge. Prior and up to the time in 1899 when the corporation made an assignment, Mr. Muller had a contract to place all its insurance. When the management changed hands, under the assignment the insurance was taken from Mr. Muller, who sued for his commissions, alleging a breach of contract.

CHICAGO AND THE WEST.

A promise of five per cent reduction in fire insurance premiums on risks on downtown property, if a high pressure water system be installed, has been made the ways and means committee of the Chicago Commercial Association by a joint committee composed of delegates from the Commercial Association, the City Club, the Building Managers Association, the Chicago Board of Underwriters and the real estate board. Clarence S. Pelett, secretary of the joint committee, stated that the promise of reduced rates had been secured from the board of underwriters and all insurance companies doing business within the downtown district. It was shown that water pressure of 200 pounds to the square inch would be maintained from the proposed service, which would do away with fire engines in the business district, hose carriages alone being necessary for fighting all fires. The question of asking the city council for the installation of the system in the business district was referred to the propertyowners, among which a referendum vote will be taken.

Having adopted a resolution requesting companies and general agents not to purchase new maps, pending an investigation of their necessity, the Chicago Board of Underwriters is opposing the efforts of the Sanborn Map Company to force the sale of new maps in Chicago. Several insurance company managers are reported to be interested in the map company. The board of underwriters has appointed a committee of five—two managers, two local agents, and Manager Glidden—to make an investigation of the situation and render a report not later than the October quarterly meeting.

Norbert Stieglitz, one of the best known insurance men in La Salle street, died last week, following an operation for appendicitis. For many years he was connected with Fred S. James & Co.

NOTES FROM PHILADELPHIA.

A. Harris, secretary of the agency department of the Girard Fire and Marine, has resigned to accept the chairmanship of the Virginia committee of the South-Eastern Tariff Association.

Secretary Hexamer of the Philadelphia Fire Underwriters Association is asking signers of the agreement the following question:

When certifying to the secretary that the provisions of article 8 of by-laws (payment of premiums) have been complied with, do you mean that premiums due you from brokers, solicitors, direct customers and for agents reporting to you have been actually paid, or do you consider that the provisions of the by-laws have been complied with if you have paid the premiums to your company?

The assessment of 140 per share on the stock of the National Union of Pittsburg has been underwritten by large interests in that city. The assessment is payable August 20.

George V. Smith has been admitted to the firm of Haughton & Muir.

The agency of the Fidelity Fire of New York for Philadelphia and vicinity has been placed with W. Bennett Gough.

THE MIDDLE STATES.

Report on the City of Philadelphia.

An exhaustive report on the existing fire protection conditions in Philadelphia has been issued by the National Board of Fire Underwriters, which embodies the investigations of its Committee of Twenty. The report covers nearly 100 pages, and contains a series of maps illustrating the installation of the city's fire department and water supply. The principal recommendations regarding water supply are as follows: The installation of a 5,000,000-gallon pump at the Belmont high-service pumping station; capacity of Roxborough pumping station be increased by the immediate installation of four 5,000,000-gallon pumps and eight boilers; pumping machinery and boilers in the several stations be overhauled and maintained in good condition; reduction of excessive water waste; distribution system be reinforced by the installation of additional mains ranging from twelve inch to forty-eight inch. Substantial additions to the personnel and apparatus of the fire department is recommended, together with additional fire alarm boxes. A revision of the building laws is also recommended, so that they will meet the conditions under which the city is developing. A more systematic inspection of all premises handling hazardous substances is recommended, together with the appointment of an adequate force of inspectors. The recommendations relating to electricity are: That the electrical bureau be clothed with adequate powers and that the laws and ordinances be revised to meet modern requirements. All overhead wiring in the thickly built districts be placed underground. Regarding the conflagration hazard, the report recommends that prompt measures be taken to relieve hazardous conditions in narrow streets by widening the streets, by enforcing adequate window protection, or by combining both methods. Also that automatic sprinkler equipments be required in all buildings which, by reason of their size, construction or occupancy, singly or combined, might act as conflagration breeders. In the general summary the fire engineers say, referring to fire fighting facilities, that the water supply is practically unlimited, but cannot be delivered for successful fire fighting of serious fires owing to low pressures and faults of distribution system. Fire department is fairly powerful, but only moderately efficient. Fire alarm system in good condition and reliable.

—The Shawnee Fire of Topeka has been admitted to New York State. J. Ramsay Barry & Co. are its general agents.

—On January 1, 1907, Vice-President Edward Lanning of the Continental of New York, will retire, after twenty years' service with the company.

—A. R. Pierson has resigned the presidency of the United States Fire of New York, and W. W. Underhill has been elected to fill the vacancy thereby created.

—Harry F. Miller, assistant secretary of the Colonial of Washington, has resigned, and has been appointed agent of the Lumbermens of Philadelphia for Rochester, N. Y.

—The matter of increasing the fire insurance rates in the Pittsburg district will be acted upon by the Board of Underwriters of Allegheny county at the September meeting.

—Charles E. Ring & Co. of New York have purchased the business, good will and interest of O. N. Beach & Co. of New York, Mr. Beach retiring from the insurance business.

THE WEST.

—Edwin Fulton has resigned the Missouri State agency of the New York Underwriters Agency as of September 1.

—The Illinois Bankers Fire of Mount Vernon, Ill., which was recently licensed by the Illinois Insurance Department, has appointed Shipman & Wayne of Chicago its sole agents for Cook county.

THE SOUTH.

—The Firemens of Newark has appointed Loren H. Green & Co. of Jacksonville its general agents for Florida.

—J. N. Harris, stamping clerk at Norfolk, Va., has been transferred to Jacksonville, Fla., to succeed A. M. Ferguson.

—The Springfield Fire and Marine has appointed John Hopkins its special agent in Texas to assist State Agent Cornelius.

—J. B. Kimbell, special agent of the National Fire of Hartford in the territory of the South-Eastern Tariff Association, has resigned, and his nephew, W. R. Kimbell, has been appointed his successor.

—The Southern General Agency, Inc., of Bluefield, W. Va., general agents for Virginia and West Virginia of the Globe and Rutgers and the Hamilton Fire, has removed to Baltimore. F. L. Lockwood is general manager of the agency.

—James Cravens and Rufus Cage of Houston, Tex., have formed a co-partnership under the firm name of Cravens & Cage. It succeeds the general fire business heretofore conducted by Mr. Cravens, under the title of James Cravens & Co.

MISCELLANEOUS FIRE NEWS.

—The Lumber of New York is preparing to enter Canada.

—The New Hampshire Fire has appointed A. T. Bailey of Denver, formerly special agent of the Home Fire and Marine, its special agent for Colorado, Utah and Wyoming.

—The Royal of Liverpool, which is paying its San Francisco losses with funds from the home office of the company, has adjusted over 1300 claims and passed the \$2,000,000 mark in payments.

—San Francisco's city hall, which cost \$7,000,000, was so badly shaken by the earthquake that a commission has found it necessary to condemn the building. And yet, there was no earthquake to amount to anything!

—Secretary E. F. Morhardt of the Underwriters Adjustment Bureau at San Francisco, stated at the beginning of this week that sub-committee reports on 667 bureau losses had been sent out to the insurance companies up to last Thursday. The insurance on the 667 losses aggregate \$49,000,000; sound value of the property destroyed or damaged being fixed at \$69,000,000.

Casualty, Surety and Miscellaneous

Pacific Coast Casualty Company.

The Pacific Coast Casualty was to have held its quarterly directors' meeting on April 18, the day of the earthquake and beginning of the conflagration. Naturally an adjournment was had of this meeting and the adjourned meeting was held May 4, 1906. At this time after careful deliberation, the directors decided that it was too early and matters were still too unsettled to take any action regarding the regular quarterly dividend which they had been prepared to declare on April 18, and they postponed action upon this matter by the following resolution:

Resolved, That the directors, while the condition of the company is strong, its securities absolutely safe in the safe deposit vaults, and its surplus ample, deem it for the best interest of the company to postpone action on the regular quarterly dividend owing to the general condition prevailing in financial circles in San Francisco.

At the subsequent regular quarterly meeting held on July 19, a double dividend was declared, one to cover the dividend due on April 18, and another due on July 19. The result is, that in spite of the disaster which has naturally disturbed some business interests, the Pacific Coast Casualty has not suspended any dividend, but continues them as usual.

Teams Insurance.

Every now and then we learn that one of the companies has increased the teams rates, claiming that on account of the experience such an increase becomes necessary. Teams insurance, no doubt, is of the most uncertain character, because the investigation of accidents is very difficult, the majority of witnesses being pedestrians, who, regardless of any negligence on the part of the driver, invariably sympathize with the injured person. A strong prejudice seems to exist in the minds of the

public against owners of wagons and trucks, undoubtedly due to the frequent careless handling of the same. Express, baggage, newspaper, mail, bottlers and brewers and public carriages, which practically monopolize the streets, both day and night, and which are being most constantly driven through the most crowded thoroughfares at an excessive speed, are about the worst of the kind.

Of course, one readily realizes that serious claims quite often present themselves prior to the reporting of the accident, and after its occurrence, the driver fails to report the accident, fearing discharge or reprimand, and the names of the witnesses are overlooked. Investigation therefore becomes exceedingly difficult and the interest of the insurance company is greatly prejudiced in effecting settlements. But if the companies will only practice what they preach and adhere closely to the rates brought about by supposed experience, they would be at the "top of the heap when the smoke clears away."

Will Write "Over-Age" Accident Risks.

Commencing August 1, the Maryland Casualty Company will accept for death and indemnity accident insurance, under "Straight" or "Combination" form policies, as may be desired, the risks of physically sound and otherwise desirable male persons between the ages of 61 and 69, at rates as follows for \$1000 and \$5:

Ages.	"Straight" Policy (Form "GA").	"Combination" Policy (Form "Y").
61 to 63, inclusive.....	\$5.00	\$6.00
64 to 66, inclusive.....	7.00	8.00
67 to 69, inclusive.....	9.00	10.00

As each risk advances in age it will be required to pay at renewal of policy the rate quoted in schedule for such attained age; but no policy issued at an earlier age will be continued beyond age 69, nor will any policy issued at age 69 be renewed. The rates quoted apply primarily to new risks—the rule of the company to continue through age 65, at the regular manual rate, the policies of persons insuring at and under age 60, remaining unchanged. These, however, upon attaining age 66 will, if the insurance is continued, be charged thereafter the respective rates named in this circular. Persons engaged in "select" occupations, only, will be insured. No risk will be accepted for limits in excess of \$5000 death indemnity, and \$25 weekly indemnity. No policy to be issued for other than an annual premium. Endorsement extending standard age limits of policy (18 to 65) to cover risks between 66 and 69 years of age, will be supplied upon request. Risks will otherwise be subject to manual requirements.

Food for Thought.

In 1892 the New York State Insurance Department quoted the American Casualty Company as having a paid-up capital of \$1,000,000; premium income of \$1,371,113; surplus to policyholders, \$1,074,000; total assets, \$2,203,599. In less than a year thereafter, the company failed and went into the hands of receivers who paid a small percentage of adjusted losses, but nothing on claims then unadjusted. There is no such a thing as cheap liability insurance, because it is expensive at any price unless the contract has sufficient financial backing. The American is merely quoted to demonstrate that one can hardly afford to experiment.

Casualty Notes.

—Sidney N. Moon is no longer connected with the statistical department of the Casualty Company of America.

—The New Amsterdam Casualty and the Frankfort Marine, Accident and Plate Glass have joined the Liability Conference.

—The Andrew R. Sexton Company of Chicago has been appointed manager of the Western department of the Aetna Indemnity.

—The Attorney-General of Texas has rendered an opinion that all live stock companies operating in that State must have a paid-up capital stock of \$100,000.

—B. J. Cunningham of Houston has been appointed manager of the accident, health and liability departments of the American National Life of Galveston.

—The London Guarantee and Accident is revising its credit indemnity contract and the new form will leave it optional with the assured to turn collections over to the Insurance Adjustment Company of Chicago. In the old form this has been mandatory.

—The General Accident Assurance Company of Canada has opened offices in the Stair building, Toronto. The company's authorized capital is \$1,000,000 and \$50,000 has been deposited at Ottawa. W. G. Falconer and C. Norie Miller will manage the company.

—The Georgia Legislature has before it a bill prohibiting the employment of children under twelve years old. The liability companies will benefit by the adoption of such a law as the loss ratio is generally heavy in States where this very cheap labor is extensively employed.

—The Philadelphia Casualty proposes issuing two forms of continuous disability policy. One will run to age sixty-five or seventy and the other

until death. The premium will be loaded to provide a reserve the same as in life insurance and commissions will be paid as on life policies.

—Joseph Laskow was arrested last week at 82 William street, New York, where the office of the Metropolitan Indemnity Company was located. This concern advertised in the Italian and Yiddish newspapers for men to sell an accident insurance scheme. They were required to make a deposit and were then sent out to collect premiums on supposed old policies, but the addresses given them proved to be fictitious.

—The National Surety, in writing its automobile bail bonds, or powers of attorney, has found that many owners wish to give this power to their chauffeurs as well as themselves. To accomplish this the company has prepared a special form which extends the power of attorney to a driver, no additional charge being made. Another question which has come up is that many owners argue that as they are with their machines but a small part of the time, the bonds should extend to other members of their family who use the car. The company has, therefore, arranged for this by making out three of the five bonds sold for \$20 to the owner and two to another person who is in frequent charge of the car. The additional charge is \$5.

—W. E. Sharot, Eastern manager of the coupon department of the North American Accident, recently paid a claim on a policy which was taken out under rather peculiar circumstances. An agent called at the office of a young lawyer in Philadelphia, and it happened that his fiancée was present at the time. As the lawyer was very busy and wanted an easy way out of talking insurance he turned the agent over to the young lady and jokingly suggested that she look over the sample policy and if it was a good thing and she thought he needed it, to buy him one. The girl, by the way, was worth all kinds of money. She thought it would be nicer to have a policy on her own life made out to her future husband, as beneficiary. She paid the agent one dollar and then forgot all about the transaction. The lawyer was not aware until after his marriage that a policy had been taken out. His wife was killed in a railroad wreck at Altoona and the policy which cost but one dollar became a claim for \$1000.

Surety Notes.

—J. M. E. Atkinson & Co. of Seattle now represent the Aetna Indemnity as State agents for Washington.

—J. Morton Morris of Louisville, Ky., has succeeded Florin & Cox as general agent of the National Surety in that city.

—The United States Government is suing the United States Fidelity and Guaranty in the sum of \$35,000 on a bond given by Maurice Runkle to protect a contract to furnish mail pouches and sacks.

—W. B. Joyce, president of the National Surety, has resigned as a director of the Empire State Surety, and Wm. M. Tomlins, Jr., president of the latter company has left the board of the National Surety.

—The firm of Pope, Long & Dobbins of Memphis, Tenn., has been dissolved and the business will be continued by Felix Pope. M. F. Dobbins is now manager of the public official department of the American Bonding Company.

—The American Bonding Company is pushing its business in Northern New Jersey and has made a number of agency appointments recently. Albin Smith, a Paterson attorney, has just been selected to represent the company at that point.

—Charles Howard has resigned as a member of the firm of Howard & Wilson of Minneapolis, Northwestern managers of the United States Fidelity and Guaranty, and has returned to New York to accept a responsible position in the office here.

—The United Surety Company has entered New Jersey for surety, fidelity, accident, plate glass, liability and all casualty lines. The general agency is with the United Agencies Company of 15 Exchange place, Jersey City, and will be under direction of an advisory board, of which DeWitt Van Buskirk is president. New Jersey reported one million in premiums on these lines in 1905, and the United has secured connections which assure it a goodly proportion.

—About three weeks ago an attachment was secured by Anna C. Morhard, administratrix, against the American Bonding Company, the amount of which was \$46,000. The American immediately gave a bond of the Metropolitan Surety and had the attachment discharged. Three days later the claim of Anna C. Morhard was paid in full by the Richmond Light and Power Company, the real parties in interest, which discharged the bond of the Metropolitan and released the American, which did not suffer any loss whatever. The attachment grew out of a bond given by the American in favor of the Richmond Light and Power Company, the indemnitor being H. H. Rogers.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Aachen and Munich Fire Insurance Company, Aix-la-Chapelle, Germany.

This company's home office balance sheet, December 31, 1905, showed assets \$9,092,508 (including stockholders' notes, \$1,800,000); capital, \$2,250,000; premium reserves, \$3,298,043; loss reserves \$677,970; capital reserve, \$225,000; special reserves, \$1,525,000; profit balance, \$234,758.

Aachen Reinsurance Company, Aix-la-Chapelle, Germany.

On December 31, 1905, this company's assets aggregated \$5,410,728 (including \$1,350,000 of stockholders' notes); its capital was \$1,800,000; capital reserve, \$305,812; dividend reserve, \$117,500; loss reserve, \$365,385; premium reserve, \$2,671,766; profit balance, \$60,000.

Assurances Generales, Paris, France.

Assets, December 31, 1905, \$6,769,184; capital, \$400,000; capital reserve, \$3,238,000; profit reserve, \$700,000; unpaid dividends, \$415,330; credit balance, \$90,885.

Austrian Elementar Insurance Company, Vienna.

Statement as of December 31, 1905, shows assets of \$1,245,861, with liabilities, including capital (\$800,000), of \$1,299,319.

Austrian Phoenix Insurance Company, Vienna, Austria.

The balance sheet of this company dated December 31, 1905, shows assets aggregating \$2,819,661; capital paid in, \$1,200,000; premium reserve, \$536,033; profit reserve, \$13,936; special reserve, \$227,190; pension fund, \$198,042; unpaid dividends, \$2232; due other insurance companies, \$236,903; agents' credit balances, \$170,361; agents' bonds, \$9120; other creditors, \$49,002; surplus on year's business, \$55,252.

Bulgaria Insurance Company, Rustchuk.

Assets, December 31, 1905, \$2,953,873; capital, fire branch, \$200,000; life branch, \$100,000; fire premium reserve, \$599,055; credit balance, \$82,049.

China Traders Insurance Company, Ltd., Hong Kong, China.

This company's home office statement, December 30, 1905, showed \$3,062,611 of assets (excluding \$1,400,000 of uncalled capital; paid-up capital, \$600,000; reserve fund, \$950,000; reinsurance fund, \$242,693; exchange fluctuation account, \$182,187; investment fluctuation account, \$66,294; underwriting suspense account, \$274,151; dividends outstanding, \$45,469; sundry creditors, \$103,523; balance of working account, \$598,294. In the last eight months of 1905 the net premiums were \$1,010,156; other income, \$82,890; losses, \$336,145; expenses, \$158,608. (The foregoing are Chinese dollars, worth a little less than 50 cents each in American money.)

Cologne Reinsurance Company, Cologne, Germany.

On December 31, 1905, the home office statement of this company showed \$9,764,855 of assets (including \$1,800,000 of stockholders' notes); capital, \$2,250,000; capital reserve, \$250,000; loss reserves, \$795,442; premium reserves, \$5,030,897 (including life, \$4,035,256); profit balance \$64,025.

Confiance Fire Insurance Company, Paris, France.

Assets, December 31, 1905 (omitting \$6,888,562 of premiums to be received in future years), \$3,422,514; capital, \$2,000,000 (including \$1,200,000 notes); capital reserve, \$370,478; premium reserve, \$311,074; credit balance, \$207,326.

El Dia Insurance Company, Carthage, Spain.

Statement as of December 30, 1905, shows assets amounting to \$2,807,439, including \$1,800,000 of stockholders' notes and \$25,281 of installation and organization expenses. Its unearned premium reserves were: Marine, \$79,800; fire, \$460,821; and its unpaid losses were: Marine, \$91,000; fire, \$107,768. In 1905, its net premiums were: Marine, \$410,001; fire, \$1,155,666; total income, \$1,588,310; losses paid, marine, \$311,642; fire, \$709,211; commissions, etc., marine, \$28,288; fire, \$321,062; other expenses, \$60,071.

Fidelitas Insurance Company, Brussels, Belgium.

The company's financial statement as of March 31, 1906, shows assets amounting to \$247,279; total liabilities, except capital, \$47,278, and a paid-up capital of \$200,000.

First Bohemian General Reinsurance Bank, Prague, Bohemia.

On December 31, 1905, this company's assets aggregated \$2,697,105; its paid-up capital was \$480,000; it had a profit reserve of \$73,500, and a profit balance of \$43,809.

Hamburg Insurance Company, Hamburg, Germany.

Assets, December 31, 1905, \$1,404,392; capital, \$500,000 (\$375,000 represented by notes); capital reserve, \$77,500; fire premiums reserve, \$430,591; credit balance, \$73,604. (This is not the Hamburg-Bremen Fire Insurance Company.)

Home Fire Insurance Company, McAlester, I. T.

This company is expected to commence business in the near future with a capital as follows: Authorized, \$200,000; subscribed, \$100,000; paid in, \$25,000. It will probably write some surplus line business. Its officers are: President, James F. George; vice-president, S. R. George; secretary and treasurer, A. L. George. The interested parties appear to be in good standing.

Indemnity Mutual Marine Assurance Company, Ltd., London, Eng

Home office statement dated December 31, 1905, shows assets aggregating £855,424 (excluding £804,000 of uncalled capital); paid-up capital, £201,000; reserve fund, £329,000; balance of underwriting accounts, etc., £714,907.

Nationale Insurance Company, Paris, France.

Assets, December 31, 1905, \$6,105,647; capital, \$2,000,000 (including \$1,500,000 of notes); capital reserve, \$1,000,000; premium reserve, \$1,609,249; unpaid dividends, \$500,000; credit balance, \$16,378.

Phoenix Insurance Company, Paris, France.

Assets, December 31, 1905, \$6,180,132; capital, \$800,000; capital reserve, \$1,411,241; premium reserve, \$1,110,000; contingent reserve, \$1,130,000; special reserve, \$200,000; credit balance, \$806,108.

Pioneer Fire Insurance Company, Seattle, Wash.

This company was incorporated in 1905, and it is intended to have \$500,000 capital. Operations may be commenced when \$100,000 capital and \$25,000 surplus have been paid in. J. H. Bridgeford is reported to be promoting the company, and those interested are said to be in excellent standing.

Rossia Insurance Company, St. Petersburg.

The exhibit of this company as of December 31, 1905, shows assets amounting to \$32,472,513, a paid-up capital of \$2,000,000 and a balance to credit of profit and loss account for the year 1905 of \$169,551. Its net premiums during 1905 were \$8,169,254, and its net losses \$5,761,729.

Southwestern Fire Insurance Company, Little Rock, Ark.

This company was recently organized as a mutual company, but has filed bonds amounting to \$25,000, thus securing the privilege of writing non-assessable policies. Its officers are: President, W. H. Jodd; vice-president, Dan. W. Jones; secretary, J. W. Holland. The latter is, or was, secretary of the Peoples Fire Insurance Company of Little Rock, and Dan. W. Jones was at one time president of that company.

United Fire Policy.

Policies issued under this title are guaranteed by the Seaboard Fire and Marine of Galveston, Tex. (40 per cent), the Commonwealth of Dallas, Tex. (40 per cent), and the Commercial of Houston, Tex. (20 per cent).

Upper Rhine Insurance Company, Mannheim, Germany.

The home office statement of this company December 31, 1905, showed assets aggregating \$2,777,466 (including \$750,000 of stockholders' notes); capital, \$1,000,000; credit balance, \$82,819.

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Copies of this exhibit may be obtained at the following prices: \$20 per 1,000; \$3 per 100; sample copy, 10 cents.

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THE AMERICAN BAR ASSOCIATION ON INSURANCE.

IN striking contrast to the excitement which marked the preparation and enactment of the so-called Armstrong bills at the last session of the New York Legislature is the report of the committee on insurance law of the American Bar Association, which is to be presented at the annual meeting of the association at the close of this month. The Armstrong committee in its investigations worked under the stimulus of an inflamed public opinion which was fed by the revelations brought out daily in the mismanagement of a few companies, and scarcely a word of a favorable nature was elicited owing to the attitude of counsel in promptly shutting off any line of testimony which gave indications of showing the great benefits that have been conferred by life insurance companies on the community at large. No wonder, therefore, that the committee of the American Bar Association, composed of lawyers of high repute, should condemn the legislation in the following severe terms:

The most conspicuous exhibition of legislative unwisdom is found in the bills prepared by the Armstrong committee and passed by the New York Legislature. The most conspicuous, because it has had the widest advertisement and because of the things which the committee might have done, but failed to do, and its ignorance of the subject is confessed.

There was never any need for the Armstrong committee to push through its mass of undigested legislation immediately following the closing of the taking of testimony. The abuses which had been unearthed were capable of rectification, and the bills intended to prevent the recurrence of such abuses and providing for greater publicity were sufficient in themselves to keep the life insurance companies in the straight path. Their passage was all that was required at the hands of the 1906 session of the legislature, and a thorough revision of the code might well have been left to a commission of experts, including men well qualified in the law and others recognized as experienced insurance men. Such a commission instructed to report at the next session of the legislature would have had ample time in which to proceed with calm and judicial minds to frame a code of laws which would protect every interest of the policyholder and

give the companies ample powers to extend their work along legitimate lines, instead of placing them in straight-jackets and compelling them all to walk along a particular chalk line. It is conceded by all who have studied the Armstrong bills that their amendment is imperative so far as they affect the insurance code, and the safest way to establish a proper code in New York will be by the appointment of a commission as described above.

The committee of the American Bar Association has performed a commendable piece of work in its report, and a majority of insurance men will agree with the following summary of its recommendations:

1. That the insurance committee be directed to draft and report to the next annual meeting of the association a bill that shall safeguard the interests of the life companies and their policyholders, but which shall require deferred dividends on life policies to be biennially apportioned, credited and notified to the holders of such policies.
2. The repeal of the so-called reciprocal or retaliatory tax laws.
3. The repeal of the valued policy laws.
4. The creation in each State of the office of fire marshal.
5. Stricter incorporation laws in the several States, with particular reference to the capital stock and stockholders obligation in insurance companies.
6. The enactment of the federal statute forbidding the use of mails to persons, associations, corporations, or co-partnerships, conducting any kind of insurance business in the United States, who are not licensed to transact such business by the States where such persons, associations, co-partnerships or corporations are domiciled, or under whose laws any corporations are created.
7. The enactment of a federal statute providing for the supervision of inter-State transactions in insurance.

Considerable space is devoted in the report to the question of taxation of insurance companies by the several States, it being argued that it was never intended that the State should profit by supervision. The reciprocal taxes are especially condemned, and the committee finds no good in the system of supervision as at present conducted, claiming that an honest and intelligent Commissioner is barred from effective supervision by the very laws he is bound to enforce, which afford golden opportunities that dishonest officials have been quick to grasp.

It will be noticed that the committee again recommends the passage of a federal law for the regulation of insurance, and produces many arguments in its favor in spite of the experience of the past winter in Congress. On this point the secretary of the committee is at variance, and files a minority report against the recommendation.

NOTWITHSTANDING the malignity and venom which have characterized the daily newspapers in their attacks upon the fire insurance companies for their alleged delinquencies in connection with the San Francisco conflagration, the fact remains that thousands of claims have been paid, single companies having already disbursed over \$2,000,000 each. So many complications have arisen, owing, in large measure, to the great number of exaggerated, not to say fraudulent, claims filed, in conjunction with the inability to secure convincing evidence as to the extent of fire damage in many cases by either claimant or insurer, that the difficulties attending the adjustment of San Francisco claims transcend any heretofore met with in the history of insur-

ance. In such circumstances, the progress already made would appear, to an unbiased observer, to have been as great as could reasonably be expected. That some companies, constrained by the attitude of their reinsuring companies or the responsibility of their directors, deem it necessary to allow the courts to define the limits of their liabilities, is not strange, when all the varying conditions attaching to individual claims are considered; indeed, the business of fire insurance deserves credit, as a whole, for settling a vast number of claims without legal contest, which might, with reason, have dragged interminably through the courts. It may be truthfully said that the insurance companies are as anxious as are the insured to get matters straightened out; and even the most obtuse should recognize that when the normal amount of loss for two years is concentrated into a few days, with evidence as to the extent of liability under nearly all policies practically unobtainable, the companies will be doing very well if they can get such losses cleaned up within a year, in addition to caring for their current business. The wonder is, not that they have settled so few, but that they have paid so many San Francisco claims during the short four months which have elapsed since the occurrence of the terrible catastrophe.

SEVERAL weeks ago we alluded to the excellent record made by automatic sprinklers in extinguishing a fire in the Bush Stores, South Brooklyn, and suggested the advisability of owners of fiber warehouses throughout the country equipping their premises with such appliances. Since then, another fire has occurred in a warehouse of the American Dock Company, which has suffered a number of previous fires, most of which inflicted severe loss; and, as a result of the many fire losses and the company's failure to make known its intentions regarding the equipment of its property with fire protective appliances, the board of managers of the New York Cotton Exchange has voted to temporarily suspend the license of that company for the storage of cotton. The premium rate on cotton in the protected warehouses of the Bush Terminal Company has been but 39 cents per \$100, while the rate on cotton stored in the American Dock Company's warehouses rose as high as 20 per cent, and considerable insurance was canceled. The company has expressed its intention of complying with the underwriters' requirements in order that insurance may be obtainable, and at a reasonable rate, but appears to be dilatory in getting down to details. Other warehousemen storing fibers would do well to take this object lesson to heart, and give their customers the best possible protection without waiting for such strong hints as greatly increased premium rates or the cancellation of insurance.

Members of the Exchange have not failed to notice the diligence and assiduity shown by Manager Shallcross in attention to the duties of president of that body. It was largely due to his courtesy and tact that the wrinkles in the dangerous situation which followed the reaction of May 4, in relation to rates and commissions, were smoothed out. He is faithful in attendance upon committees and always ready to listen to any complaints or suggestions referring to the working of the machinery of the Exchange. That his services in the promotion of harmony are appreciated is a well understood fact.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

One of the large agency companies represented on William street is a loser by its San Francisco settlements, through the refusal of an English company to continue its reinsurance or patronage. The English office, it seems, held some policies in the company on risks on the coast, and its offers of fifty cents offended the head office. In one day all its New York policies of reinsurance were turned into the agents here for cancellation. No fault was found with settlements and adjustments at this end, but, in pursuance of a general policy to avoid a certain class and reduce its reinsurance to a minimum, the British office has placed the agency company on its prohibited list.

The brokers continue to comment upon the intercourse between the unlicensed brokers and the Exchange companies. It is stated that the returns to the Exchange, which are published monthly, show that, during the year ending June 30, over 500 policies, which were canceled for non-payment of premiums, were credited to the unlicensed brokers, and it is a pertinent question whether there were not ten times as many received from the same source which were not canceled.

The loss of the New York Glucose Company, at Shadyside, N. J., has been finally adjusted at less than three per cent of the total insurance involved. It was a laborious adjustment, which lasted several months, owing to various questions arising in relation to the selling price of the finished product. The assured contended for the market price, which presumably included a profit. There were fifteen products and the exact cost of production could not be determined. The result was a compromise. There was also a claim for explosion damage since the adjustment was completed.

The New York Board August meeting was appointed to be held yesterday, but it was hardly expected a quorum would be present. The dollar fee cut off last winter was never a controlling factor in obtaining a quorum, but it doubtless had an influence in that direction. These monthly meetings in midsummer are quite dull and unattractive. The Exchange meeting for this month was ordered to be omitted by a vote taken in July.

The General Adjustment Bureau is getting along very smoothly and satisfactorily. The executive committee is quite earnest in pushing the work forward, and Manager Greer is making a fine record for the bureau in the economy and efficiency of the adjustments.

The automatic sprinkler companies are all busy, installing new and improved equipments in this vicinity. The difficulty is in keeping up with the demand. There are a large number of contracts not yet filled in this city or Brooklyn, while the preliminaries to other contracts in out-of-town risks near by are counted by the score. The fear of competition cheapening the quality does not trouble the companies. The specifications once approved and the work in accordance being inspected, the companies rather incline to the belief that competition is a good stimulant.

The two fireproof buildings now approaching completion on Fifth avenue and Thirty-fourth and Thirty-fifth streets are important additions to the architectural beauty of that section of the city; they will each be occupied as department stores—the Fifth avenue building by D. Altman & Co., and the Thirty-fourth and Thirty-fifth street building by James McCreery & Co. These buildings are already equipped with high-grade automatic sprinkler equipments, and will probably be ready for occupancy in sixty days. The insurance requirements on buildings, fixtures and contents will be in excess of \$5,000,000.

Among the dead-letter laws of the Exchange, none is so conspicuous for its non-enforcement as the rule, which has been on the books for nearly four years, declaring that the installation of automatic sprinklers or other devices at the expense of a broker, or if such protection features be owned by a broker, shall be considered a violation of the broker's pledge. There are at least four brokers who are daily violating this rule, but the companies wink at it and the brokers treat it as a great joke. Its enforcement seems to be neglected intentionally,

and the number of small improvements paid for by brokers is unlimited.

Some of the Western States are bothering the companies for additional and supplementary statements of their San Francisco losses. To companies which have already responded to the New York Department as completely as it is in their power to comply, these supplementary statements are quite annoying and involve extra expense for telegrams to San Francisco. However, they are becoming accustomed to these trifles; and to stop the wheels of business in the middle of the summer, to get a few unnecessary figures to gratify the whims of a Western Department, is in the nature of hot weather recreation.

The Real Estate Owners Insurance Company seems to be preparing for business in its new quarters, on William street, near John. It is in the advance line, ahead of the migratory movement toward Fulton street. By the way, there is some interest among brokers in the question whether this company will join the Exchange or remain outside on the skirmish line.

The levy of the sheriff upon funds of the Transatlantic is ominous of the method of San Francisco claimants in collecting from German companies which are accused of various crimes and misdemeanors in their California settlements.

Otto H. Richter, a well-known adjuster of this city, died last week at his residence of heart disease. He leaves a widow.

Henry C. Zaro has been appointed branch manager for the Delaware of Dover.

An attachment for \$61,000 against the Transatlantic Fire of Hamburg was recently granted in favor of Thomas C. Watkins, growing out of losses sustained in the San Francisco fire, by Judge Dickey of Brooklyn. Deputy Sheriff McCourt later received two more attachments from Brooklyn against the Transatlantic, one for \$143,350 and the other for \$109,333, both in favor of Thomas C. Watkins.

Manager Joseph Powell, of the Union Assurance Society of London, has arrived here.

Edgar M. Davis of St. Louis, Mo., president of the St. Louis Fire Insurance Company, and senior member of the agency firm of E. M. Davis & Co., was in New York last week. Mr. Davis reports excellent progress being made by the St. Louis Fire, which operates only in Missouri and Illinois. The other companies represented by the progressive Davis agency are the Equitable Fire and Marine of Providence, Dubuque Fire and Marine of Dubuque, Farmers of York, Insurance Company of the State of Illinois, Michigan Fire and Marine of Detroit and Western of Pittsburg.

BOSTON AND VICINITY.

It transpires that the reason why the Boston Board of Fire Underwriters did not extend the fifteen per cent advance in rates to the districts of Boston where it does not now apply, was because of a difference between the companies. The chief dissatisfaction is said to be the status of the commissions in the suburban districts. Some months ago a new form of agreement was drawn up, to be signed by companies individually and the members of the board, that all should comply with the tariff rules of the board. Certain companies declined to sign, and the matter was being debated in committees when the San Francisco disaster came and put an end to the deliberations.

There is no longer any non-board element in Providence, R. I. All companies and agents will hereafter work in harmony.

The Boston Board of Fire Underwriters is considering, and will probably adopt, a plan to charge for second-class board certificates and to fix a charge for brokers who are located at remote places.

At a special meeting of the Boston Board of Fire Underwriters, Tuesday forenoon, it was voted to make a universal advance in the rates on storage warehouses and piers of fifteen per cent. At a meeting of the board, June 13, an advance was made on this class of property in the more congested sections of the city. Immediately there was a complaint from the owners of these storage warehouses and piers that they were discriminated against, inasmuch as similar buildings across the channel, that is, on the South Boston, Charlestown and East Boston sides, were allowed the old rate. The tariff committee of the board therefore looked carefully into the matter, and it was

decided that the territory in which the new increase was to become operative should be extended so that all storage warehouses and piers should be treated alike. The present advance, therefore, applies to those public storage warehouses and sheds on piers in the East and South Boston and Charlestown sides of the harbor, including elevators.

NOTES FROM PHILADELPHIA.

As most of the authorized capital of the new National American Insurance Company has been subscribed, the resignation of Louis S. Amonson, its organizer, as vice-president of the Union Insurance Company of the State of Pennsylvania, will take effect at the end of this month. The best guarantee of the success of the new company lies in the fact that Mr. Amonson will be the head and front of it. He is among the youngest and most aggressive underwriters in this city.

From the satisfactory progress being made by John Welsh Dulles, former president of the Insurance Company of the State of Pennsylvania, in organizing the new Merchants Insurance Company of this city, it is confidently believed that the new corporation will be ready for business in November. Most of the \$1,000,000 needed to launch the enterprise has already been subscribed.

The report of the Committee of Twenty of the National Board of Fire Underwriters on the fire fighting facilities of Philadelphia, has aroused a storm of protests from a number of business men and newspapers, who hastily jumped to the conclusion that another advance in rates here would speedily follow its publication. Of course, there is nothing in the report to justify such a conclusion, and in fact, as has been pointed out by several prominent underwriters, should the city authorities, trades bodies and individuals strive to bring conditions here up to the standard set in the report, the measure of success attained will be met by a corresponding reduction in rates. The editorial of The Ledger on the subject in its edition of Thursday last is one of the few sane utterances to be found, it says in part:

We cannot agree with the view, which we find rather broadly stated by the press, that in the criticism designed to secure better protection from fire "the fair standard is not the ideal fire-immune city, but the average condition of the average city." The average American city is a tinder-box, and the \$200,000,000 or so of property annually destroyed by fire illustrates the cost of these average conditions. Philadelphia is no doubt much better than the average, but that should not content us. Though we cannot attain the ideal at once, or soon, the standard to be aimed at is that of a city so well defended that its fire risks are reduced to a minimum. There can be no more dangerous fallacy than to assume that nobody has any interest in preventing fire losses except the insurance companies. * * * * If our property were less inflammable there would be less need of insurance, and if we could really attain an ideal of fire immunity the insurance companies could go out of business.

President E. C. Irvin of the Fire Association says:

What insurance people want is protection, not high rates. Chief Baxter is a thoroughly competent official, and the fire department is as good as that of any other city in the country; but better work cannot be expected unless the city spends more money. The high-pressure mains are all right as far as they go; but they should be extended in lateral lines.

District Attorney John C. Bell says, in response to the demand of some, that the Philadelphia Fire Underwriters Association be prosecuted under anti-trust laws:

If any citizen having knowledge of an illegal combination to advance or maintain rates will bring the offenders before a committing magistrate and they are held for trial, I will prosecute the cases vigorously.

As one of the members of the association points out, however, it is not in existence for the raising and maintaining of rates, but for the purpose of improving conditions in the city in general and individual risks in particular, with a view to bringing rates down to a lower level.

—The engineers of the committee on fire prevention of the National Board of Fire Underwriters have concluded their investigations into the fire protection of Lambertville, N. J. An additional delivery main at least twelve inches in diameter is recommended to be laid from reservoir 3 to connect with the northern limits of the distribution system, and also the installation of eight-inch mains along George and Franklin streets. An exhaustive semi-annual test of each fire engine is recommended, pumping under a water pressure of 100 pounds in excess of the hydrant pressure for half an hour; the installation of an up-to-date fire alarm system, to have at least sixteen street boxes of a reliable type, on one circuit, is recommended by the engineers.

THE WEST.

—The Firemens Fund has been licensed in Illinois.

—De Roode, Faulkner & Ettelson have been appointed Chicago agents of the Lumber and the Adirondack of New York.

—Robe Bird, Wisconsin special agent of the New York Underwriters Agency, has been appointed State agent for the same field.

—Robert S. Critchell of Chicago, who was injured in the wreck of the Plymouth express July 1, has taken a decided change for the better.

—A new fire company is in process of formation at Kansas City, Mo., with a capital stock of \$200,000 and surplus of \$50,000. The projectors are chiefly Kansas City men.

—The Western Factory Insurance Association is urging upon members the desirability of establishing a use and occupancy branch in connection with the association, to be used on lines on sprinklered risks.

—At a recent executive session of the St. Paul Underwriters Inspection Association an unsuccessful effort was made to heal the breach in the ranks of the local fire underwriters. Several of the members who have bolted say that the old agreement was sufficient and that the need is not for a new one, but for a method by which all the members of the association can be made to live up to the old agreement.

—The committee on fire prevention of the National Board of Fire Underwriters has issued a report on the fire protection and water supply conditions obtaining in Cleveland, Ohio. The report shows that the fire companies are undermanned and inadequate in number; fire alarm service defective and unreliable. The water supply is ample, but the distribution system is backward, the mains being too small. A high-pressure system is recommended. The conflagration hazard is severe locally.

THE SOUTH.

—The Farmers and Merchants of Lincoln, Neb., has entered Texas.

—The National Union Fire of Pittsburg has applied for full membership in the South-Eastern Tariff Association.

—S. T. Sparkman, daily report examiner in the Atlanta office of the Royal, has been appointed special agent of that company to assist George B. Jennings in Virginia and the Carolinas.

—Robert J. Clower, for the past two years special agent of the Louisiana Fire Prevention Bureau, has been appointed associate special agent of the Royal for Mississippi and Louisiana.

—Rufus Cage, partner in the general agency firm of Cravens & Cage of Houston, Tex., continues as secretary of the Commercial Fire. The underwriting of the latter company will be managed by Cravens & Cage.

—The Virginia Supreme Court of Appeals recently handed down a decision confirming the appointment of Colonel Joseph Button as Insurance Commissioner of that State. J. Brennaman has been appointed Deputy Commissioner.

MISCELLANEOUS FIRE NEWS.

VARIOUS ITEMS.

—The Royal Exchange is canceling out of San Francisco entirely.

—The Union of Philadelphia will hereafter transact tornado business.

—Up to August 1 the Hartford Fire has paid 2670 San Francisco claims, aggregating \$4,405,000.

—President George L. Chase of the Hartford Fire is well on the road to recovery from his recent illness.

—The King Insurance Company, Ltd., of London, has moved its offices to 8 Bucklersbury (Queen Victoria street), E. C.

—The Atlas of London has adjusted over 1100 claims arising from the San Francisco conflagration, out of a total of about 1600.

—William Macdonald, Pacific Coast manager of the London and Lancashire Fire, and D. E. Miles, assistant manager, have resigned.

—The Dubuque Fire and Marine is preparing to enter several Eastern States, in addition to New York and Pennsylvania, in which it is already licensed.

—Albert Willcox, of Albert Willcox & Co. of New York, United States managers of the Salamandra of St. Petersburg, died on Monday last of apoplexy.

—The Royal of Liverpool and the Queen of New York have already paid \$4,937,527 to San Francisco loss claimants, the Royal paying \$3,896,163, and the Queen \$1,043,964.

—Captain Edward Fitzmaurice Inglefield of the Royal Navy has been awarded the position of secretary of Lloyds, rendered vacant by the retirement of Colonel Sir Henry Hozier, K. C. B.

—The Transatlantic Fire of Hamburg has decided to maintain an office in San Francisco for winding up its affairs in the United States. G. Harold Ward has been appointed attorney in fact for the service of process.

—The Buffalo German has given notice of the termination of its contract with the general agency firm of C. J. Stovel. It is expected that the company will withdraw from the Pacific Coast or suspend operations there for some time.

—The Commercial Union, Palatine and the Alliance of London have decided

to waive the defense otherwise open under the earthquake clause of their policies, not exceeding \$500, and settle all San Francisco conflagration losses not exceeding this amount, immediately upon adjustment.

—The Commercial Union of London, in answer to a suit brought by one Thomas I. Bergin to recover \$6500 on a fire policy containing an earthquake clause on a building in San Francisco which was destroyed by the conflagration following the earthquake, sets forth that had it not been for the earthquake the building would not have burned, and it is recited that the shocks of April 18 prostrated many buildings and partially knocked down others; that the electric light and power wires were severed by the shocks and set fire to contiguous woodwork and other inflammable material, thus causing several original fires, which spread until the flames reached the plaintiff's building. Furthermore, it is stated that the shocks broke the mains and pipes and rendered the water supply for fire purposes absolutely useless, so that the fire department could not cope with original fires. The company denies liability for any such losses, and contends that the earthquake clause in their policies is sufficient shield.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

George F. Seward, president of the Fidelity and Casualty, has resigned as trustee of the New York Life, and asked to have his name omitted from the administration ticket. Mr. Seward finds that he cannot devote the necessary time to a proper performance of the duties of the position. John Reid and Seth M. Millikin have been elected trustees of the New York Life.

In the near future a life insurance company will be organized under the laws of New Jersey, in the management of which a number of men now identified with the New York Life will be prominent. The new company will have ample capital and may decide to confine its operations to non-participating contracts exclusively.

During July the New York Life matured sixty-six endowments, with a total value of \$280,632, on premium payments of \$220,811. In the same month it paid 593 death claims for \$1,819,853, including policies, on the lives of fifty-nine persons insured for \$119,730, who died within the first year after insuring.

NOTES FROM PHILADELPHIA.

Adolph Klein, in the Desertion Court last week, gave Judge Audenreid an amusing excuse for his neglect to provide for the support of his children. He gave as the reason that it took all the money he made to pay premiums on insurance policies he held on his children's lives.

An indication of the progress of the Philadelphia Life is noted in the price obtained at auction last week for shares of its stock. Forty sold at \$23 and forty at \$22½. A prominent life insurance agent, who seemed worried over the activity of the company, said last week regarding its agents: "They are as thick as flies and are to be found going around in bunches." Superintendent of Agents W. H. Clowney is off on a tour of the West and South, and great things are looked for as a result.

Pittsburg investors in the gold bonds of the Federal Investment Company, of which William G. Rothermel, who recently committed suicide in this city, was treasurer, are, like those residing in Philadelphia, becoming anxious about their money, particularly since the offices of the concern in that city are closed and the furniture is about to be sold for rent. The safe of the company in Pittsburg contained a lot of advertising matter, a copy of "Camille" and a brick, not of the gold variety, but probably intended to represent one. Many thousands of dollars are said to have been raised in Pittsburg by the concern, which made a specialty of selling bonds to working people on the instalment plan at twenty-five cents a week.

—The Security Life and Annuity Company of Chicago announces an increase in the board of directors by the election of Granger Farwell of Granger Farwell & Co. of Chicago, who was also elected a member of the executive committee; P. A. Myers, of F. E. Myers & Brother, manufacturers, of Ashland, Ohio; John K. Tener, president of the First National Bank of Charleroi, Pa., formerly secretary and treasurer; Judge E. D. Newman, banker, of Woodstock, Va., formerly president.

THE MIDDLE STATES.

Affairs of the Mutual Life.

Justice Geigerich of the New York Supreme Court decided last week that the Mutual Life must file with the State Superintendent of Insurance the corrections received in the lists of policyholders filed on July 18. The court held that the intent of the law was to give the policyholders every possible opportunity to communicate with each other. All corrections are to be filed within ten days from the signing of the order and each week thereafter. A request that the company be compelled to allow the use of its stencils by the committee for addressing purposes was denied. In the proceedings to compel the removal of the four names of members of the international policyholders committee from the administration ticket of the Mutual, Judge Howard decided that there was no provision in the law compelling the Superintendent to make such omissions and the ticket will therefore stand as filed.

Emory McClintock, vice-president and actuary of the Mutual Life, returned from Europe last week. He said that some of the members of the international committee were well disposed toward the present management of the company, and that the attack on the Mutual's business in England was but a flash in the pan, very little business having been lost.

The international policyholders committee has been having its own troubles. Secretary Seymour Eaton resigned his position in a somewhat theatrical manner and the resignation was promptly accepted by the executive committee. It brought out the fact that very little money has been contributed by policyholders, the expenses being met by funds advanced by those active in the movement who will be reimbursed when the policyholders reply to the circulars, asking for contributions, which are now going out. The committee composed of Mutual Life policyholders exclusively has issued its circular to the policyholders.

Examination of Bankers Life of New York.

Superintendent of Insurance Otto Kelsey of New York has given out the following memorandum relative to the above named company:

The examination into the affairs of the Bankers Life Insurance Company has shown that it is not in such condition under section 82 of the insurance law as to require its being placed in the hands of a receiver.

There remains the question whether the company should be permitted to write new business or not. At the hearing August 2, 1906, on the report of the examiner it was shown by the company that the deficiency in its assets, taking the liabilities as made by the examiner, had been materially reduced from the date of the report, March 31, 1906, to that upon which the company had made up its statement, August 1, 1906, and then amounted to but a trifling sum, not enough to warrant the issuance of an order directing the company to cease doing new business. It was also shown that the changed conditions in the company would probably eliminate this deficiency in a very short time. The company took exception to the Department's treatment of the item of dividends, and stated that steps had been taken to procure a decision by the courts upon the question at the earliest possible moment. A decision in favor of the company will give it a substantial increase in assets.

Upon the question raised as to a valuation of policies a new valuation of the assets and liabilities of the company has been directed to be made as of September 30, 1906, and also a supplemental examination of the condition of its affairs as of said date.

In view of the foregoing facts I deem it best for the interests of all concerned to withhold such report from public inspection until the filing of such additional reports.

—The Reliance Life wrote \$684,500 new business in July, making the total for 1906 to date \$5,314,000, which is only \$600,000 less than the total secured in the whole of 1905.

—The directors of the Provident Savings Life have voted to retire the company from Minnesota, Mississippi, North and South Dakota, Vermont and New Hampshire. George D. Smith, the main agent of the company at St. Paul, Minn., has gone with the Illinois Life as manager for Northern Illinois.

—The Blair T. Scott agency at Philadelphia of the Union Central Life reports for the six months ending with July new accepted business of \$540,185, making it a million-dollar agency. July business was the largest of the period, over \$113,500 having been accepted. The leader of the agency for July secured eight policies for \$24,000, with premiums of \$978.

THE WEST.

The Capitol Life of Denver.

The Capitol Life of Denver, Col., has just closed its first year, which was one of extraordinary success. The company started on July 25, 1905, with a cash capital of \$250,000 and has been liberally patronized by the people of the West, who have welcomed the advent of a progressive life company in Colorado, backed by responsible and well-known Western men. A report of the company shows that during the past twelve months the company has received applications for \$5,033,000 of insurance, of

which \$413,500 had to be declined. On August 1, the business written and applications on hand amounted to \$4,619,500. The finance committee of the Capitol Life is composed of Thomas F. Daly, Thomas Keely, Godfrey Schirmer, Julius A. Myers, John F. Campion, M. D. Thatcher and Charles Boettcher. The executive committee includes Thomas F. Daly, F. G. Bonfils, Charles J. Hughes, Jr., Eben Smith and Adolph Zang. These gentlemen, and particularly President Thomas F. Daly and Secretary Fred W. Bailey, are to be congratulated upon the rapid and substantial progress thus far made. The company is doing business in Colorado, Kansas, Missouri, Montana, Nebraska, Texas, Utah and Wyoming.

—The Central Life of Ottawa, Ill., will occupy its new offices in the Ottawa Banking and Trust Building about September 1. T. W. Appleby has been elected secretary of the company.

—The Kansas City Life has reinsured the Fraternal Home of Hamilton, Mo., and Wm. W. Anderson, president of the Fraternal Home, becomes vice-president of the Kansas City Life. The Fraternal Home has about 7300 members, with \$7,300,000 insurance in force.

—The Indiana National Life has about sixty per cent of its stock subscribed, and expects to begin business about October 1. It is the intention of the promoters to issue up-to-date life contracts on the annual dividend basis, no special forms to be used. The men interested in the company are: A. H. Nordyke, James E. Killen, David M. Parry, Horace F. Wood, George C. Brooks, John N. Feasey, Frank W. Killen, U. Z. Wiley, S. P. Woodard, William H. Vollmer of Vincennes, W. H. McCurdy of Evansville, Thomas W. Millikan of New Castle, R. H. Carnahan of Fort Wayne, S. B. Woodard of Rockville and G. W. Benton, principal of Shortridge high school.

—The plan adopted by the United States Life Endowment of Chicago is finding many imitators. Four new companies are in process of formation at the present time. The Preferred Life, which recently took over the Anchor Life Endowment of Springfield, is being promoted by E. P. Barry, formerly manager of the Bankers Life of New York. Charles W. Horn, formerly an agent of the United States Life Endowment, together with Walter E. McCornack, an attorney, are backing the Chicago Endowment Life, and E. C. Kingsbury, a banker of Chicago, associated with George N. Smith, formerly with the John Hancock, are promoting the Federal Mutual Life Endowment. Another new company to be known as the Peerless is being promoted by J. S. Chennour of Chicago.

THE SOUTH.

—New interests are backing the Commonwealth Life, which was incorporated in Baltimore about six months ago, and it is probable its organization will be carried to completion.

—R. H. Baker, general manager of the Equitable Life in Texas, outside of the Dallas district, has resigned. G. E. Scott, for the past seven years assistant general agent in Mr. Baker's office, will succeed the latter.

—The Home Friendly Society of Baltimore reports its business of industrial life insurance to be progressing in a most satisfactory manner. In order that the society may keep in closer touch with its increasing number of policyholders, the management has decided to issue a monthly bulletin of its affairs.

—The Keystone Life Insurance Company of New Orleans, La., was licensed on July 31 to write both ordinary and industrial life insurance on the legal reserve plan. It starts with a capital of \$40,000 paid in, and \$60,000 additional will be contributed before the close of the year. L. P. Delahoussaye is president and Wm. Sparling is secretary.

MISCELLANEOUS LIFE NEWS.

The Dilemma of Fraternal Orders.*

Fraternal orders during the past decade have been brought face to face with the very unsatisfactory task of readjusting their rates in order to meet their obligations. This has been decidedly distasteful to a majority of the managers, as it has compelled them to virtually admit that they have been deceiving their members from the beginning by claiming that life insurance could be furnished at low rates, and that there was no need to accumulate reserves. Now they find that had reserves been accumulated from the beginning, there would have been no need to revise the rates and thereby force out thousands of members who had paid regularly for many years. The whole system of fraternal insurance started with a misconception of the function of the premium charged by legal reserve companies, and even now the managers, or most of them, are loathe to admit that a reserve is not only a wise provision but an absolute necessity in the case of any company pretending to furnish life insurance. The plan of the fraternal orders is beautifully simple in theory, but absolutely im-

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TABLE I.—THIRTY-SIX LEADING FRATERNAL ORDERS.

NAME OF ORDER.....	Ancient Order of United Workmen (Sup. Lodge)	Ben-Hur.	Brith Abraham.	Catholic Benevolent Legion.	Catholic Knights of America.	Catholic Mutual Benefit Association.	Catholic Order of Foresters.	Foresters, Independent Order of	Fraternal Aid Association.
LOCATION.....	Meadville, Pa.	Crawfordsville, Ind.	New York.	Brooklyn, N. Y.	St. Louis, Mo.	Hornellsville, N. Y.	Chicago, Ill.	Toronto, Ont.	Lawrence, Kan.
Commenced business.....	1868.	1894.	1887.	1881.	1879.	1876.	1883.	1881.	1890.
Mortuary assessments received in 1905.....	7,113,379	788,708	250,097	953,506	738,622	1,361,455	1,276,120	3,263,985	362,873
Claims paid in 1905.....	7,758,389	734,438	254,150	950,092	738,229	1,316,895	990,060	2,191,414	328,586
Income saved in 1905.....	440,488	159,856	22,706	1,470	18,048	241,876	294,581	1,140,035	60,806
Net cash assets December 31, 1905†.....	894,615	827,809	226,569	334,546	743,303	1,492,693	981,092	8,757,420	201,896
New members admitted in 1905.....	17,661	17,897	14,634	255	508	3,426	10,443	29,091	4,363
Membership December 31, 1905.....	299,823	88,138	87,086	19,971	17,355	57,638	118,061	233,293	28,485
Gain (+) or loss (—) in membership during 1905.....	—23,570	+ 8,574	+ 9,387	—2,275	—1,304	+ 23	+ 3,795	+ 7,417	—541
Insurance in force December 31, 1905.....	507,987,906	108,572,775	43,543,000	28,042,250	23,753,165	82,765,500	123,860,500	248,801,000	37,868,500
Deaths occurring in 1905.....	4,547	645	563	526	456	812	940	1,676	222
Lapsed certificates in 1905.....	36,684	8,678	4,684	2,004	1,356	2,591	5,708	19,998	4,682
Death rate per 1000 in 1905.....	14.6	7.7	6.8	24.9	25.3	14.1	8.1	7.3	7.7
Average cost per member in 1905.....	22.83	9.41	3.04	45.17	41.02	23.62	10.99	14.22	12.62
Cash assets per capita held December 31, 1905.....	2.98	9.39	2.60	16.75	42.83	25.90	8.31	37.54	7.09
Average amount of policies in force.....	1,694	1,232	500	1,404	1,368	1,436	1,049	1,066	1,329
Average cost per \$1000 in 1905§.....	13.48	7.64	6.08	32.17	30.00	16.45	10.47	13.34	9.50

NAME OF ORDER.....	Fraternal Mystic Circle.	Free Sons of Israel.	Golden Cross, United Order of the	Improved Order of Heptasophs.	Knights and Ladies of Honor.	Knights and Ladies of Security.	Knights of Columbus.	Knights of Honor.	Knights of Maccabees of the World.
LOCATION.....	Philadelphia, Pa.	New York.	Knoxville, Tenn.	Baltimore, Md.	Indianapolis, Ind.	Topeka, Kan.	New Haven, Conn.	St. Louis, Mo.	Port Huron, Mich.
Commenced business.....	1885.	1871.	1876.	1878.	1877.	1892.	1882.	1873.	1883.
Mortuary assessments received in 1905.....	247,374	254,568	434,606	1,260,534	1,413,466	576,049	533,249	2,729,665	4,355,956
Claims paid in 1905.....	216,506	247,000	395,250	1,190,436	1,388,840	511,786	315,000	2,741,885	3,356,268
Income saved in 1905.....	37,735	47,771	38,163	88,722	49,465	184,134	266,127	*—21,072	1,075,818
Net cash assets December 31, 1905†.....	187,519	1,005,590	138,240	639,908	394,208	738,287	1,494,705	†—449,923	4,839,056
New members admitted in 1905.....	5,260	456	2,333	8,965	18,675	17,260	8,088	2,769	39,141
Membership December 31, 1905.....	14,503	10,865	18,392	65,996	83,088	56,083	49,475	40,126	298,891
Gain (+) or loss (—) in membership during 1905.....	+691	—10	—198	+3,697	+6,979	+7,697	+6,161	—9,049	—23,485
Insurance in force December 31, 1905.....	18,834,917	10,865,000	20,621,250	95,630,500	84,464,000	69,102,000	50,524,000	65,960,200	375,176,362
Deaths occurring in 1905.....	135	247	304	740	1,228	419	337	1,561	2,402
Lapsed certificates in 1905.....	4,434	219	2,227	4,528	10,468	9,144	1,590	10,257	60,224
Death rate per 1000 in 1905.....	9.5	22.7	16.4	11.5	15.4	8.0	7.3	34.9	7.7
Average cost per member in 1905.....	17.47	23.42	23.50	19.65	17.75	11.03	11.50	61.13	14.02
Cash assets per capita held December 31, 1905.....	12.93	9.26	7.52	9.67	4.74	13.16	30.21	†—	16.19
Average amount of policies in force.....	1,297	1,000	1,121	1,449	1,016	1,232	1,021	1,644	1,255
Average cost per \$1000 in 1905§.....	13.47	23.42	20.96	13.56	17.47	9.00	11.26	37.18	11.17

NAME OF ORDER.....	Knights of Pythias (Endowment Rank).	Knights of the Modern Maccabees.	Ladies Catholic Benevolent Association.	Ladies of the Maccabees.	Ladies of the Modern Maccabees.	Loyal Association.	Loyal Mystic Legion of America.	Modern Woodmen of America.	National Union.
LOCATION.....	Chicago, Ill.	Port Huron, Mich.	Erie, Pa.	Port Huron, Mich.	Ann Arbor, Mich.	Jersey City, N. J.	Hastings, Neb.	Rock Island, Ill.	Toledo, O.
Commenced business.....	1877.	1881.	1890.	1892.	1890.	1889.	1892.	1883.	1881.
Mortuary assessments received in 1905.....	1,876,248	1,425,322	874,210	774,686	381,915	167,888	63,374	7,653,707	2,401,208
Claims paid in 1905.....	1,458,005	1,169,832	649,267	758,608	392,824	152,905	58,076	6,611,361	2,053,250
Income saved in 1905.....	400,203	321,680	297,416	407,724	27,175	20,063	*—3,517	949,908	270,977
Net cash assets December 31, 1905†.....	1,280,298	415,546	599,445	1,615,703	149,607	159,539	51,823	2,489,076	583,956
New members admitted in 1905.....	14,796	12,572	3,456	18,802	13,267	668	831	96,010	4,025
Membership December 31, 1905.....	74,857	116,205	89,943	124,113	70,969	7,372	6,291	713,837	61,019
Gain (+) or loss (—) in membership during 1905.....	+6,654	—4,103	+193	+699	+8,215	+133	—427	+52,885	—4,353
Insurance in force December 31, 1905.....	117,205,500	145,453,000	79,436,500	96,732,468	60,193,250	13,204,000	8,066,500	120,404,500	133,105,000
Deaths occurring in 1905.....	793	872	731	878	438	84	45	3,787	768
Lapsed certificates in 1905.....	7,349	15,803	2,532	17,126	4,614	451	1,213	39,338	7,610
Death rate per 1000 in 1905.....	11.1	7.4	8.1	7.1	6.5	11.5	6.9	5.5	12.2
Average cost per member in 1905.....	26.23	12.05	9.73	6.26	5.72	22.97	9.74	11.13	38.00
Cash assets per capita held December 31, 1905.....	17.10	3.57	6.66	13.06	2.11	21.64	8.24	3.49	9.57
Average amount of policies in force.....	1,566	1,252	883	780	848	1,791	1,283	1,687	2,181
Average cost per \$1000 in 1905§.....	16.75	9.62	11.02	8.02	6.74	12.82	7.59	6.60	17.42

TABLE I.—THIRTY-SIX LEADING FRATERNAL ORDERS—Continued.

NAME OF ORDER.....	New England Order of Protection.	Pilgrim Fathers, United Order of.	Protected Home Circle.	Royal Arcanum.	Royal League.	Shield of Honor.	Sons of Benjamin.	Womens Catholic Order of Foresters.	Woodmen of the World (Sov. Camp).	Totals, Thirty-six Orders.
LOCATION.....	Boston, Mass.	Lawrence, Mass.	Sharon, Pa.	Boston, Mass.	Chicago, Ill.	Baltimore, Md.	New York.	Chicago, Ill.	Omaha, Neb.	
Commenced business.....	1887.	1879	1886.	1877.	1883.	1885.	1877.	1891.	1891.	.....
Mortuary assessments received in 1905.....	669,226	593,963	390,265	8,094,566	533,963	174,963	207,764	487,630	3,085,963	57,771,073
Claims paid in 1905.....	613,000	494,300	421,409	8,021,413	475,298	142,250	264,850	468,675	2,773,289	52,603,836
Income saved in 1905.....	56,862	100,063	130,140	122,898	173,305	24,726	*—25,922	45,791	778,348	8,244,569
Net cash assets December 31, 1905†.....	167,218	120,934	875,523	2,533,484	922,930	37,820	98,426	286,617	2,983,396	38,818,874
New members admitted in 1905.....	4,927	1,192	10,566	22,678	4,641	654	1,338	6,566	67,307	485,521
Membership December 31, 1905.....	41,310	19,601	57,392	254,756	27,524	10,784	20,659	47,998	274,592	3,606,491
Gain (+) or loss (—) in membership during 1905	+2,894	—97	+1,656	—50,282	+2,280	—2,453	+95	+4,752	+37,340	+50,070
Insurance in force December 31, 1905.....	62,674,500	27,597,500	54,232,250	550,918,000	56,449,000	9,980,000	15,370,000	50,869,000	394,597,700	507,650,2493
Deaths occurring in 1905.....	354	295	449	3,225	250	144	326	433	2,019	33,660
Lapsed certificates in 1905.....	1,679	994	8,461	69,780	2,111	2,963	917	1,381	27,948	402,346
Death rate per 1000 in 1905.....	8.9	15.0	7.9	11.5	9.5	12.0	15.8	9.5	7.9	9.4
Average cost per member in 1905.....	16.79	30.23	6.90	28.92	20.23	14.57	10.08	10.69	12.06	16.13
Cash assets per capita held December 31, 1905	4.05	6.17	15.25	9.94	33.53	3.51	4.76	5.97	10.86	10.76
Average amount of policies in force.....	1,517	1,408	945	2,163	2,051	926	744	1,060	1,437	1,407
Average cost per \$1000 in 1905\$.....	11.07	21.47	7.30	13.37	9.86	15.73	13.55	10.08	8.39	11.46

*—Disbursements exceed income. †—Liabilities exceed assets. ‡After deducting cash liabilities. §The foregoing costs do not include "quarterly dues" payable for lodge expenses, ranging from \$3 to \$6 per member per annum and which would increase the cost on an average about 25 cents monthly. Except for a per capita tax of 50 cents to \$1 included, the "expenses" following in Table II, do not include these "quarterly dues" (A. O. U. W. Table).

TABLE II.—PROGRESS OF FOUR LEADING ORDERS.

KNIGHTS OF HONOR.

YEAR.	Mortuary Assess- ments.	Claims Paid.	Members Admit- ted in Year.	Members at End of Year.	Deaths Occur- ing.	Lapses.	Death Rate Per 1000 Members.	Average Cost to Each Member.
	\$	\$						\$
1905....	2,729,665	2,741,885	2,769	40,126	1,561	10,257	34.9	61.14
1904....	2,869,304	2,392,637	3,481	49,175	1,679	4,233	33.3	56.94
1903....	2,981,283	2,986,549	4,292	51,606	1,670	4,590	31.7	56.67
1902....	3,082,152	3,066,482	4,093	53,580	1,637	4,649	29.9	56.35
1901....	3,216,217	3,227,089	2,854	55,773	1,706	5,307	29.4	55.40
1900....	3,442,662	3,433,887	3,125	59,932	1,784	8,272	28.1	54.31
1899....	3,594,979	3,515,033	4,389	66,863	2,120	17,662	28.4	48.22
1898....	3,988,194	3,901,286	7,489	82,256	1,887	13,025	21.9	40.40
1897....	3,894,532	3,918,264	10,571	89,679	2,233	15,292	24.0	41.82
1896....	4,261,084	4,155,004	8,358	96,633	2,137	24,800	20.2	40.23
1895....	4,058,331	3,944,233	8,836	115,212	2,067	11,342	17.6	34.54
1894....	3,844,550	3,845,117	9,151	119,785	1,972	10,748	16.4	31.61
1893....	4,020,074	4,017,486	9,321	123,354	2,062	10,978	16.5	32.11
1892....	4,279,401	4,283,392	8,297	127,073	2,051	11,672	15.8	32.97
1891....	4,209,046	4,207,500	11,282	132,499	2,081	11,914	15.5	31.43
1890....	3,483,982	3,482,000	12,062	135,212	1,946	6,657	14.6	26.10
1889....	3,415,555	3,421,033	12,552	131,753	1,740	4,476	13.5	26.56
1888....	3,198,137	3,210,656	11,025	125,417	1,606	6,824	13.7	25.75
1887....	3,178,435	3,175,400	8,861	122,912	1,607	10,511	12.9	25.52
1886....	3,080,919	3,080,600	8,803	126,169	1,510	6,619	12.0	24.49
1885....	2,999,060	3,079,000	8,982	125,495	1,487	10,601	11.7	23.61
1884....	2,709,562	2,634,251	10,640	128,601	1,426	8,922	11.1	21.09
1883....	2,856,617	3,028,000	12,776	128,309	1,427	8,566	11.2	22.51

ROYAL ARCANUM.

YEAR.	Mortuary Assess- ments.	Claims Paid.	Members Admit- ted in Year.	Members at End of Year.	Deaths Occur- ing.	Lapses.	Death Rate Per 1000 Members.	Average Cost to Each Member.
	\$	\$						\$
1905....	8,094,566	8,021,413	22,678	254,756	3,225	69,780	11.5	28.94
1904....	7,868,396	8,155,469	35,980	305,083	3,175	10,811	10.8	25.75
1903....	7,505,893	7,320,551	39,581	283,089	2,815	7,999	10.5	27.94
1902....	7,140,665	6,899,869	33,216	254,322	2,540	7,480	10.5	29.43
1901....	6,860,988	6,595,105	31,055	231,132	2,375	7,622	10.8	31.10
1900....	6,604,709	6,277,069	24,086	210,074	2,229	5,651	11.0	32.70
1899....	6,491,620	6,083,452	12,913	193,868	2,094	6,135	10.9	33.90
1898....	5,719,015	5,279,243	9,039	189,184	1,898	13,062	9.9	29.77
1897....	5,405,774	5,210,824	13,299	195,105	1,812	6,643	9.4	28.05
1896....	4,882,548	5,002,674	22,452	190,261	1,731	4,520	9.5	26.80
1895....	4,204,008	4,197,446	20,454	174,060	1,527	4,174	9.2	25.22
1894....	4,190,030	3,959,600	16,975	159,307	1,344	4,750	8.7	27.23
1893....	3,693,916	3,770,750	16,086	148,426	1,296	3,553	9.1	25.87
1892....	3,432,834	3,401,750	17,293	137,189	1,141	3,729	8.7	26.18
1891....	3,129,420	3,096,250	17,089	124,766	1,009	2,680	8.5	26.50
1890....	2,803,060	2,717,302	16,802	111,366	947	2,482	9.0	26.77
1889....	2,158,310	2,146,526	13,357	97,993	750	1,599	8.1	23.33
1888....	2,120,609	2,024,700	10,789	86,935	690	2,335	8.3	25.53
1887....	1,933,033	1,940,500	10,847	79,171	636	1,863	8.5	25.73
1886....	1,543,829	1,512,000	12,010	70,825	522	1,622	7.9	23.43
1885....	1,263,846	1,260,500	9,217	60,957	430	1,641	7.5	22.02
1884....	1,053,103	1,042,500	7,973	53,811	380	1,526	7.5	20.73
1883....	879,911	906,000	9,126	47,744	393	1,113	6.9	20.05

KNIGHTS OF THE MACCABEES OF THE WORLD.

YEAR.	Mortuary Assess- ments.	Claims Paid.	Members Admit- ted in Year.	Members at End of Year.	Deaths Occur- ing.	Lapses.	Death Rate per 1000 Members.	Average Cost to Each Member.
	\$	\$						\$
1905....	4,266,679	3,106,372	39,141	298,891	2,402	60,224	7.7	13.74
1904....	4,512,184	3,470,966	50,369	322,376	2,265	67,032	6.8	13.60
1903....	4,159,399	3,955,454	88,505	341,394	2,108	30,657	6.7	13.27
1902....	3,598,146	2,609,006	70,780	285,564	1,723	23,792	6.6	13.68
1901....	2,960,439	2,175,168	56,787	240,299	1,492	18,828	6.7	13.33
1900....	2,543,441	1,950,538	51,285	203,832	1,250	16,692	6.2	12.69
1899....	2,082,080	1,701,019	54,293	197,132	1,088	18,325	6.0	11.59
1898....	1,751,688	1,270,353	40,690	162,252	788	16,313	5.2	11.64
1897....	1,415,738	1,135,338	35,952	138,663	696	15,360	5.4	11.00
1896....	1,256,897	952,875	32,046	118,767	568	14,580	5.1	11.93
1895....	1,021,254	817,070	37,895	101,869	494	12,152	5.5	11.45
1894....	799,684	694,795	29,661	76,620	376	9,134	5.8	12.33
1893....	641,334	502,933	21,956	53,222	318	6,693	7.0	14.03
1892....	367,458	313,846	17,942	38,277	187	2,654	6.1	11.95
1891....	266,043	246,306	6,405	23,176	133	....	6.6	13.27
1890....	214,035	175,300	3,808	16,904	92	508	6.0	13.99
1889....	130,200	134,000	4,525	13,696	69	531	5.9	11.11
1888....	84,783	77,200	4,433	9,771	37	561	4.7	10.80
1887....	46,837	43,000	2,456	5,936	23	287	4.7	9.64
1886....	34,408	34,100	1,092	3,790	17	312	5.7	11.62

possible in practice. Any corporation which insures a man at age twenty-one at a rate which merely provides for the cost of the insurance at that age, and carries him along year after year at the same rate, must inevitably fail. It is true that for awhile the accession of new blood may keep down the death rate so that the order is apparently safe, but sooner or later the extra cost of carrying the older members is bound to absorb the savings effected on the younger members, and then arises the necessity for extra assessments. The effect of making extra assessments has been plainly evident in the case of scores of fraternal orders. There is first the protest on the part of the members, more particularly the younger ones, then the healthy lives desert, leaving the older members in a worse position than before, for with a decreasing membership the death claims increase faster than the assessments can be collected for them, until finally the only refuge is in the hands of a receiver.

For several years after the impracticability of the fraternal plan became apparent to the managers, the only steps taken for relief were in the form of additional assessments, it being argued that the heavy death rate was only temporary, and that by renewed efforts on the part of every member further additions might be made to the membership sufficient to bring down the death rate again. This plan did not work very long, as the members objected to the increasing number of extra assessments, especially as many of them were able to obtain

TABLE II.—Continued.
ANCIENT ORDER OF UNITED WORKMEN.

YEAR.	INCOME.			EXPENDITURES.			INSURANCE ACCOUNT.			Average Mortuary Cost per Member.
	Fees and Dues.	Assessments.	Total Income.	Losses Paid.	Expenses.	Total Disbursements.	Certificates in Force.	Average No. of Risks Exposed.	Death Rate per 1000 Risks.	
1905.....	\$626,603	\$8,161,951	\$8,880,045	\$7,753,616	\$680,777	\$8,439,557	299,823	311,608	14.59	\$26.19
1904.....	780,405	8,474,015	9,255,831	8,305,595	749,420	9,080,315	323,393	373,204	13.98	25.85
1903.....	1,046,723	10,273,389	12,494,230	10,046,521	913,919	10,960,440	423,015	437,262	12.94	23.50
1902.....	993,824	10,170,658	11,164,482	9,860,412	899,541	10,759,953	451,510	439,466	11.84	23.17
1901.....	929,211	9,816,501	10,745,712	9,473,275	819,262	10,292,537	427,422	422,521	12.00	23.23
1900.....	895,896	9,079,834	9,975,730	9,030,809	891,087	9,921,896	417,620	404,324	11.52	22.46
1899.....	774,918	8,308,536	9,083,454	8,335,574	777,994	9,113,568	390,952	375,807	11.36	22.11
1898.....	705,170	7,705,935	8,501,105	7,770,417	635,261	8,455,677	360,662	354,326	11.32	22.00
1897.....	663,024	7,920,992	8,584,010	7,761,934	653,493	8,415,427	347,990	343,775	10.86	23.04
1896.....	631,501	7,598,977	8,230,478	7,479,767	631,892	8,111,659	369,099	362,648	10.52	20.95
1895.....	562,538	7,336,347	7,898,885	7,313,839	588,948	7,902,787	354,309	349,914	10.48	20.97
1894.....	527,619	7,117,355	7,644,974	7,116,808	561,592	7,678,400	341,371	336,085	10.43	21.19
1893.....	527,690	6,423,707	6,951,403	6,479,175	505,748	6,984,923	328,775	320,374	10.11	20.05
1892.....	476,745	6,080,714	6,557,459	6,015,021	462,515	6,477,535	308,575	292,539	10.19	20.80
1891.....	416,064	5,325,174	5,741,238	5,307,588	385,851	5,693,439	276,352	264,251	9.72	20.19
1890.....	373,160	4,744,226	5,117,386	4,762,157	365,674	5,127,831	251,538	241,666	10.32	19.50
1889.....	343,679	4,181,953	4,525,632	4,149,805	348,988	4,498,793	232,059	229,269	9.00	18.25
1888.....	309,218	3,966,740	4,275,958	3,985,088	311,301	4,296,389	215,195	206,751	9.64	19.18
1887.....	284,683	3,455,505	3,740,188	3,453,287	273,817	3,727,104	198,307	187,209	9.22	18.45
1886.....	271,006	2,956,836	3,227,842	2,942,597	261,409	3,204,366	176,111	166,473	8.82	17.74
1885.....	221,112	2,580,468	2,801,580	2,556,458	206,938	2,773,396	157,375	150,545	8.52	17.14
1884.....	196,719	2,193,880	2,390,699	2,180,126	197,286	2,377,412	143,714	137,415	7.93	15.98
1883.....	183,410	2,032,459	2,215,869	2,031,047	164,078	2,195,125	131,115	.....	....	....
Totals	\$12,740,924	\$145,996,152	\$158,828,567	\$154,120,918	\$12,338,785	\$166,464,867	.....	.....	....	\$22.54

the same amount of insurance in other orders at lower rates. It, therefore, became necessary for the orders to revise their rates entirely, so as to make the older members pay a larger share of the mortuary cost, while new members were to be brought into the order on the plea that the rate then charged, larger than the original rates, was sufficient to carry them without any further increase in after years. Such orders as adopted this plan found that it worked well for a time, and even enabled them to accumulate some sort of a reserve, but eventually the reserve was encroached upon by the death claims once more exceeding the assessments, and the old problem again confronted them.

It will be judged from the foregoing that the fraternal have been working all along by a rule of thumb, and have steadily avoided the teachings of experience as exemplified by the careers of old-line companies, evidently working in the hope that some special miracle would be interposed for their special benefit and the laws of mortality be suspended. From the establishment of the very first fraternal order

TABLE III.—ORDERS SHOWING GAIN IN MEMBERSHIP IN 1905.

NAME OF ORDER.	Commenced Business.	Certificates in Force Jan. 1, 1905.	Certificates Written in 1905.	Certificates in Force Jan. 1, 1906.	Gain in Year.
Modern Woodmen of America..	1883	660,952	96,010	713,837	52,885
National Protective Legion....	1890	97,709	55,026	136,677	38,968
Woodmen of the World.....	1890	237,252	67,307	274,592	37,340
Royal Neighbors of America...	1895	84,538	16,209	97,347	12,809
Locomotive Engineers.....	1884	106,080	15,358	116,892	10,812
Brith Abraham, Ind. Order....	1887	77,699	14,634	87,086	9,387
Ben Hur, Supreme Tribe.....	1894	79,564	17,897	88,138	8,574
Ladies of Modern Maccabees..	1886	62,754	13,267	70,969	8,215
Woodmen Circle.....	1895	24,939	13,546	32,841	7,902
K'ts and Ladies of Security....	1892	48,386	17,260	56,083	7,697
Foresters, Supreme Court....	1881	225,876	29,091	233,293	7,417
Knights and Ladies of Honor...	1877	76,109	18,675	83,088	6,979
Knights of Pythias, End Rank..	1877	68,203	13,301	74,857	6,654
Knights of Columbus.....	1882	43,314	8,088	49,475	6,161
Ancient Order of Gleaners.....	1894	40,041	8,594	46,064	6,023
Polish National Alliance.....	1881	38,578	7,480	43,385	4,807
Womens Cath. Or. Foresters...	1891	43,246	6,566	47,998	4,752
Societe des Artisans.....	1877	23,020	5,377	26,946	3,926
Canadian Or. Foresters, H'c't...	1879	56,438	6,806	60,241	3,803
Catholic Order Foresters.....	1883	114,266	10,443	118,061	3,795
Improved Order, Heptasophs...	1878	62,299	8,965	65,996	3,697
Cath. Womens Ben. Legion....	1895	14,001	3,769	17,097	3,096
New Eng. Or. Mut. Protection...	1887	38,416	4,927	41,310	2,894
Woodmen of the World.....	1890	93,846	11,100	96,464	2,618
Amer. Funeral Benefit Ass'n...	1895	18,307	5,539	20,886	2,579
Royal League.....	1883	25,244	4,641	27,524	2,280
United Order Foresters.....	1893	9,567	3,906	11,659	2,092
Mass. Cath. Order Foresters...	1879	20,938	2,446	22,812	1,874

TABLE III.—Continued.
ORDERS SHOWING GAIN IN MEMBERSHIP IN 1905.

NAME OF ORDER.	Commenced Business.	Certificates in Force Jan. 1, 1905.	Certificates Written in 1905.	Certificates in Force Jan. 1, 1906.	Gain in Year.
Columbian Knights.....	1895	11,296	4,374	13,056	1,760
Protected Home Circle.....	1886	55,736	10,566	57,392	1,656
American Guild.....	1890	24,324	9,834	25,904	1,580
Danish Brotherhood of Amer...	1882	12,358	2,374	13,904	1,546
North American Union.....	1895	12,484	3,223	13,871	1,387
Cath. K'ts & Ladies of Amer...	1890	8,425	1,875	9,712	1,287
American Ins. Union.....	1894	10,318	.....	11,505	1,187
Grand Fraternity.....	1885	10,277	3,141	11,384	1,107
United Artisans.....	1894	9,751	2,130	10,670	919
German Beneficial Union.....	1892	11,669	3,609	12,586	917
Free Sons of Judah.....	1890	7,665	1,873	8,407	742
Ladies of Maccabees of World.	1892	123,414	18,802	124,113	699
Degree of Honor, A. O. U. W...	1892	2,734	847	3,429	695
Fraternal Mystic Circle.....	1884	13,812	5,260	14,503	691
Capitol Life Association.....	1894	3,772	863	4,453	681
American Benefit Society.....	1893	5,101	1,406	5,778	677
Scottish Clans.....	1878	8,722	1,380	9,387	665
K'ts and Ladies of Columbia...	1895	6,323	2,762	6,955	632
Polish Ass'n of America.....	1895	3,081	339	3,705	624
Woodmen of the World.....	1893	9,810	1,705	10,438	619
Brotherhood of America.....	1856	19,498	3,184	20,027	529
A. O. H. Life Ins. Fund.....	1884	6,012	1,027	6,438	426
Artisans Order, Mut. Protec...	1873	8,571	749	8,995	424
Catholic Mut. Benefit Ass'n...	1880	19,333	1,323	19,750	417
Ahawas Israel, Ind. Order....	1890	14,926	2,342	15,342	416
Order of Mutual Protection...	1878	8,068	1,261	8,410	342
Independent Western Star Or...	1895	4,979	1,507	5,308	329
Bohemian Slavonian Knights and Ladies.....	1893	2,734	413	3,052	318
Western Catholic Union.....	1877	6,381	592	6,692	311
Cath. Relief & Ben. Ass'n....	1893	8,228	765	8,512	284
Catholic Knights of Ohio.....	1891	6,813	615	7,089	276
Low German Gd. Lodge.....	1888	6,850	681	7,080	230
Knights of the Loyal Guard...	1895	5,029	808	5,235	206
Ladies Cath. Benevolent Ass'n.	1890	89,750	3,456	89,943	193
Royal Templars of Temp'ance..	1884	6,798	892	6,984	186
Loyal Association.....	1889	7,239	668	7,372	133
Foresters of America.....	1893	1,919	321	2,042	123
Knights of Father Mathew....	1881	5,668	1,094	5,789	121
Sons of Benjamin.....	1883	20,564	1,338	20,659	95
Independent Or. Mutual Aid...	1878	2,185	499	2,253	68
Sparta, Order of.....	1879	4,697	214	4,744	47
Christian Burden Bearers.....	1885	2,020	89	2,061	41
Legion of the Red Cross.....	1885	2,549	322	2,582	33
U.S. Letter Carriers M.B. Ass'n.	1891	5,244	360	5,267	23
Catholic Mut. Benefit Ass'n...	1876	57,615	3,426	57,638	23
Sons of St. George.....	1890	2,022	177	2,042	20
Ind. Scandinavian Workmen...	1893	2,823	454	2,830	7
Totals (75 orders).....		3,171,178	591,168	3,466,906	295,728

TABLE III.—Continued.
ORDERS SHOWING LOSS IN MEMBERSHIP IN 1905.

NAME OF ORDER.	Commenced Business.	Certificates in Force Jan. 1, 1905	Certificates Written in 1905.	Certificates in Force Jan. 1, 1906	Loss in Year.
National Provident Union.....	1883	4,076	778	4,074	2
Free Sons of Israel, Ind. Order.	1871	10,875	456	10,865	10
Select Knights and Ladies.....	1881	4,202	790	4,182	20
K'ts of St. John and Malta.....	1883	2,663	181	2,627	36
Fraternal Censer.....	1895	2,408	821	2,334	74
Pilgrim Fathers.....	1879	19,698	1,194	19,601	97
Benai Brith, Ind. Order.....	1878	2,419	.....	2,244	175
Golden Cross, United Order.....	1876	18,590	2,283	18,392	198
Geg. Muter Ges. Germania.....	1888	4,439	314	4,217	222
Workmens Benefit Ass'n.....	1893	6,203	556	5,845	358
Legion of Honor.....	1879	3,468	192	3,120	348
Loyal Mystic Legion of Amer.....	1893	6,718	831	6,291	427
Iowa Legion of Honor.....	1879	4,321	424	3,823	498
Fraternal Aid Association.....	1890	29,026	4,303	28,485	541
Home Circle.....	1879	2,713	44	2,097	616
Order of Pendo.....	1894	6,160	2,313	5,041	1,119
Catholic Knights of America.....	1879	18,659	508	17,355	1,304
Catholic Benevolent Legion.....	1881	22,246	255	19,971	2,275
Shield of Honor.....	1875	13,237	654	10,784	2,453
Knights of the Mod. Maccabees	1881	120,308	12,572	116,205	4,103
National Union.....	1881	65,372	4,025	61,019	4,353
A. O. U. W., Mass. (Ind. Jur.)..	1879	44,140	542	39,117	5,023
Knights of Honor.....	1873	49,175	2,769	40,126	9,049
Court of Honor.....	1895	68,365	7,886	56,522	11,843
Knights of the Maccabees of the World.....	1883	322,376	39,141	298,891	23,485
A. O. U. W. (Sup. Lodge).....	1868	323,393	17,661	299,823	23,570
Royal Arcanum.....	1877	305,083	22,678	254,756	50,327
Totals (27 orders).....		1,480,333	124,231	1,337,807	142,526
Grand Totals (102 orders)...		4,651,511	715,399	4,804,713	*153,202

* Net gain.

the fallacies of the system have been pointed out by men who knew that only failure could result in the long run, and that while many thousands of persons might be benefited in the meantime, there would be an even greater number left destitute of protection at a time when it was needed the most. To the credit of many of the fraternal man-

agers it may be said now, however, that more progress is being made toward a proper and scientific conduct of the business, at least so far as new members are concerned. There is still manifest a disinclination to disturb the old members by making them pay the full cost of their insurance, and consequently the younger members are in many instances paying more than they have a right to.

In the case of every fraternal that has readjusted its rates there have been numerous desertions, and it is doubtful whether the full effect of these desertions has been allowed for in the increased rates. It is a safe assertion to make that three-fourths of the members who leave a fraternal order on account of increased rates are good insurable lives, capable of obtaining insurance in other organizations, for the man who realizes that he cannot get other insurance will bend every effort to meet the increased rates in the hope that the order may last long enough to pay his claim and thus give his estate some return for the money he has paid in during many years.

Last year there were several orders in the throes of rate readjustment, and their statements at the close of the year showed that the old story of less new business and increased lapses had been repeated. The Ancient Order of United Workmen, which is the oldest fraternal order in the country, showed a loss in membership of 23,570, while the Royal Arcanum, which was particularly prominent last year in the way of troubles, lost 50,282 members. Taking the orders as a whole the year 1905 showed a little improvement over the previous year, which was the poorest in nearly a decade, but the orders are finding it increasingly difficult to add very largely to their membership, while the number that can scarcely hold their own is steadily increasing.

The series of tables presented herewith form a statistical analysis of the leading fraternal orders of the United States for the year 1905, and indicate very clearly the difficulties under which a number of them labor. In Table I. there is shown the principal items of the statements of thirty-six of the leading fraternal orders of the country, each of which is at least ten years old, and has more than 5000 certificates in force. The totals show that the new members admitted numbered 485,521, but the aggregate gain in membership was but 50,070, or slightly over ten per cent. The terminations by death were 33,660, a very slight increase over the previous year, while no less than 402,346

TABLE IV.—DEATH RATE IN FRATERNAL ORDERS PER 1000 MEAN CERTIFICATES IN FORCE 1886-1905.

NAME AND LOCATION.	Date of Organization.																			1905.			
		1886.	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.	1904.	Mean Number of Certificates in Force.	Number of Deaths.	Ratio.
A.O.U.W., Supreme Lodge, Meadville, Pa.	1869	8.8	9.2	9.6	9.0	10.3	9.7	10.2	10.1	10.4	10.5	10.5	10.8	11.3	11.3	11.5	12.0	11.8	12.9	12.9	311,608	4,547	14.6
Catholic Benevolent Legion, Brooklyn, N.Y.	1881	9.8	9.4	10.6	11.4	12.7	13.3	13.6	13.5	11.3	15.1	13.9	11.9	13.9	15.2	16.7	17.6	18.0	18.7	19.7	21,109	526	24.9
Catholic Knights of America, St. Louis, Mo.	1877	11.5	13.1	15.3	11.8	14.1	13.7	14.4	15.6	11.8	13.2	14.9	14.1	17.8	18.5	18.2	19.8	19.6	20.4	23.3	18,007	456	25.3
Catholic Mut. Benefit, Hornellsville, N. Y.	1879	7.6	7.4	8.8	8.8	10.0	10.5	10.2	8.2	10.6	10.0	10.2	10.1	9.3	10.7	10.7	11.8	11.2	12.4	13.8	57,627	812	14.1
Catholic Order of Foresters, Chicago, Ill.	1883	.....	.....	.....	.....	.....	.....	.....	.....	.....	7.6	7.2	6.8	7.0	7.7	7.3	7.1	7.0	7.6	8.3	116,164	940	8.1
Foresters, Independent Order, Toronto....	1881	.....	.....	.....	.....	.....	6.4	5.6	5.8	5.2	5.8	5.5	5.6	5.8	6.1	6.4	7.2	6.7	6.6	7.2	234,585	1,654	7.0
Fraternal Mystic Circle, Philadelphia, Pa.	1885	.....	.....	.....	1.8	4.8	5.0	5.4	4.8	7.2	6.2	6.5	7.1	8.0	8.9	8.8	8.2	12.4	11.2	10.2	14,158	135	9.5
Free Sons of Israel, New York.....	1871	.....	.....	.....	.....	.....	12.3	12.8	14.7	14.2	15.5	16.0	20.7	16.5	19.3	17.8	18.3	18.3	21.5	19.8	10,870	247	22.7
Golden Cross, United Order, Knoxville....	1876	.....	.....	11.3	10.3	10.1	11.2	11.7	10.8	12.2	9.7	10.2	9.7	11.7	11.7	13.3	15.0	14.0	15.2	15.0	18,491	304	16.4
Home Circle, Boston, Mass.....	1879	8.2	5.2	9.3	7.9	9.4	6.7	10.2	8.6	9.8	10.0	12.1	9.9	10.5	13.8	13.7	13.2	16.1	16.9	22.2	2,405	61	25.4
Heptasophs, Improved Order, Baltimore...	1878	.....	.....	.....	.....	.....	.....	8.6	6.9	8.0	8.2	8.5	8.3	9.4	8.5	11.1	12.1	10.5	10.9	11.7	64,148	752	11.7
Jewelers League, New York.....	1877	.....	8.7	9.0	6.9	9.1	10.9	11.4	10.9	14.5	9.3	10.3	16.1	11.3	12.7	20.1	33.4	16.8	17.2	21.4	1,877	39	20.8
Knights and Ladies of Honor, Indianapolis	1877	.....	.....	.....	.....	.....	13.1	12.7	13.2	12.0	13.3	14.4	13.9	15.0	17.7	19.0	19.0	17.3	14.9	16.7	79,599	1,208	15.2
Knights of Columbus, New Haven, Conn...	1882	.....	.....	.....	.....	.....	.....	9.9	12.5	8.5	6.2	6.1	7.8	7.1	6.2	7.7	7.4	6.3	6.8	.....	46,395	337	7.2
Knights of Honor, St. Louis, Mo.....	1887	12.0	12.9	13.7	13.5	14.6	15.5	15.8	16.5	16.4	17.6	20.2	24.0	21.9	28.4	28.1	29.4	29.9	31.7	33.3	44,650	1,561	34.9
Knights of Pythias (E. R.), Chicago.....	1877	14.5	13.6	14.7	12.1	12.3	14.5	13.0	12.0	11.4	11.5	10.9	11.0	10.5	10.8	11.5	11.7	12.1	11.6	12.4	71,530	793	11.1
Knights of the Maccabees of the World, Port Huron.....	1883	5.7	4.7	4.7	5.9	6.0	6.6	6.1	7.0	5.8	5.5	5.1	5.4	5.2	6.0	6.2	6.7	6.6	6.7	6.5	310,643	2,402	7.7
Knights of Modern Maccabees, Port Huron	1881	.....	.....	.....	.....	.....	.....	.....	7.9	5.2	4.5	5.6	5.5	5.4	5.7	6.2	7.2	6.2	6.1	6.8	118,257	866	7.3
Modern Woodmen of America, Rock Island	1883	3.4	3.1	4.5	3.7	5.2	6.0	5.3	5.6	5.2	5.1	4.8	4.4	4.5	5.0	4.7	4.9	4.9	5.1	5.6	687,395	3,787	5.5
Mutual Aid, Independent Order, Peoria...	1878	.....	.....	.....	.....	.....	.....	.....	.....	10.9	10.9	10.1	11.3	10.2	10.4	14.6	14.2	19.7	19.9	16.5	2,219	499	22.1
National Union, Toledo, O.....	1881	.....	.....	.....	.....	.....	.....	.....	7.8	7.6	8.2	8.7	7.9	8.8	9.4	9.9	9.7	10.0	10.5	11.9	63,196	768	12.1
New England Commercial Travelers, Bost.	1877	.....	6.4	11.1	5.2	9.9	5.1	12.3	17.8	17.9	14.8	14.6	14.4	16.1	20.3	18.6	23.5	15.1	26.9	35.4	656	20	30.5
New England Order of Protection, Boston..	1887	.....	.....	.....	6.5	6.2	6.1	6.6	6.4	7.5	6.9	8.5	7.2	7.7	8.4	8.6	8.9	8.9	8.9	9.4	39,863	354	8.9
Order of Mutual Protection, Chicago, Ill...	1878	.....	.....	.....	.....	.....	.....	.....	12.3	9.9	11.1	8.8	9.9	12.3	9.1	9.7	11.5	11.1	9.7	10.5	8,239	85	10.3
Pilgrim Fathers, Lawrence, Mass.....	1879	6.6	7.8	7.2	7.2	8.4	8.3	8.9	10.0	8.5	9.3	9.9	9.7	10.1	11.5	11.8	12.3	13.7	13.0	14.1	19,649	295	15.0
Protected Home Circle, Sharon, Pa.....	1886	.....	.....	.....	.....	.....	.....	.....	7.0	5.0	6.0	6.5	6.0	7.0	6.6	6.9	7.5	7.0	7.6	8.3	56,569	449	7.9
Royal Arcanum, Boston, Mass.....	1877	7.9	8.5	8.3	8.1	9.0	8.5	8.7	9.1	8.7	9.2	9.5	9.4	9.9	10.9	11.0	10.8	10.5	10.5	10.8	279,919	3,225	11.5
Royal League, Chicago, Ill.....	1883	.....	.....	.....	.....	.....	.....	.....	5.9	4.6	6.2	5.8	6.8	7.1	5.7	6.3	9.0	9.7	10.1	7.6	26,384	186	7.0
Scottish Clans, Boston, Mass.....	1881	.....	.....	.....	.....	7.7	12.0	12.8	13.8	11.3	8.2	8.6	9.1	9.5	9.8	7.5	9.9	8.7	8.9	10.0	9,055	88	9.7
Western Catholic Union, Quincy, Ill.....	1877	.....	.....	.....	.....	.....	.....	.....	11.2	10.9	9.8	4.9	8.4	8.3	5.8	9.4	11.1	8.6	7.0	10.9	6,537	64	9.8

TABLE V.—ANNUAL COST PER \$1000 AND AVERAGE AGE OF MEMBERS.

ORDERS.	No. of Assessments Called.	20	25	30	35	40	45	50	55	Average Age.
American Benefit Society.....	12	7.20	7.80	8.40	9.00	11.40	15.60	30.00	.....	40.5
American Insurance Union*.....	12	7.20	7.68	8.28	9.00	10.20	12.24	15.84	†21.60	37.4
Brotherhood of American Yoemen.....	12	7.20	7.20	7.80	8.40	9.60	10.80	13.20	.....	38.4
Catholic Benevolent Legion.....	26	14.04	16.12	18.72	21.84	26.00	31.46	38.48	\$46.02	44.
Catholic Knights of America.....	12	11.76	13.56	15.72	18.60	22.32	27.24	33.84	42.84	47.2
Catholic Mutual Benefit Association.....	12	11.64	12.96	15.60	18.96	23.40	29.28	.....	.....	41.
Court of Honor.....	12	7.20	8.40	9.72	11.64	14.04	17.40	23.40	32.40	38.6
Equitable Fraternal Union.....	10	7.00	7.00	8.40	8.40	10.00	12.00	†12.00	.....	36.3
Foresters, Independent Order of.....	12	9.60	11.28	13.68	16.56	20.16	24.96	34.80	\$46.80	37.5
Fraternal Aid Association.....	12	7.20	7.20	7.80	8.40	9.00	10.80	25.80	.....	39.
Fraternal Mystic Circle.....	12	11.16	12.48	14.64	17.40	21.12	25.92	32.52	41.28	39.5
Home Circle.....	12	12.00	13.80	16.20	19.20	23.40	28.80	†34.20	.....	47.
Improved Order of Heptasophs.....	12	8.04	9.12	10.92	13.20	16.20	20.28	†24.48	.....	40.
Knights of Columbus.....	12	8.88	9.60	10.20	10.80	11.88	13.68	16.92	22.20	35.8
Knights of Honor*.....	12	7.20	9.00	10.80	13.80	16.80	19.80	25.80	35.40	51.
Knights and Ladies of Honor.....	12	9.48	10.68	11.88	13.08	15.24	18.84	24.36	32.04	42.3
Knights of the Maccabees of the World.....	12	10.37	12.10	13.82	16.70	20.16	25.34	31.68	.....	37.4
Knights of Pythias.....	12	10.80	12.60	15.00	17.40	21.00	25.80	32.40	.....	41.6
Ladies Catholic Benevolent Association.....	12	7.80	8.88	10.08	11.28	16.80	18.00	†21.12	.....	36.
Modern Brotherhood of America.....	12	5.40	5.40	6.00	6.00	6.60	7.20	.....	.....	37.6
National Union*.....	12	6.00	7.20	8.40	9.60	10.80	13.20	16.20	24.00	43.3
New England Order of Protection.....	24	7.20	8.40	9.60	10.80	12.00	13.20	18.00	.....	41.
Pilgrim Fathers.....	12	2.00	13.20	15.60	18.60	22.80	||27.60	.....	.....	46 9
Protected Home Circle.....	12	9.72	11.04	13.20	15.60	19.32	24.00	30.24	37.68	37.9
Royal Arcanum.....	12	7.04	8.16	9.68	11.76	14.40	18.08	22.80	\$28.00	41.6
Royal Highlanders.....	12	6.00	6.00	8.40	9.60	12.00	14.40	.....	.....	34.9
Royal League.....	12	9.36	10.98	11.04	12.60	15.36	20.04	27.24	.....	38.3
United Order of the Golden Cross.....	12	9.72	10.56	11.16	11.88	13.08	15.00	18.60	24.48	44.2
Woodmen of the World, Omaha.....	12	9.60	9.60	12.00	13.20	15.00	17.40	26.40	.....	36.7
Woodmen of the World (Pacific Jurisdiction)..	12	8.40	9.00	10.20	11.40	13.80	16.80	19.80	.....	38.

* Rate increase each year. † Age 49. ‡ Rate at age 60, \$30. § Age 54. || Age 44

members were enrolled in the lapse column. More than one-third of the orders reported a loss in membership during the year ranging from ten to 50,282, while the gains shown are from twenty-three to 52,885. The total membership at the close of the year was 3,606,491, ostensibly representing \$5,076,502.493 of insurance. There was an actual falling off in the aggregate amount of insurance in force of \$89,000,000.

Inasmuch as these orders have obligated themselves to pay over five billion dollars in benefits under their certificates, there should be a considerable volume of funds on hand, but the statements disclose that after providing for all cash liabilities there is on hand but \$38,818,874 wherewith to meet the enormous amounts of insurance benefits promised. Nearly one-fourth of that amount is held by one order, and the average sum held for each member is but \$10.76. Only six orders hold over \$20 of cash assets per capita, while ten have less than \$5 per capita. The death rate for the year was 9.4 per thousand members, the same figure as for the preceding year, while the average death cost per \$1000 was \$11.46, the expenses of management not being considered in these figures of cost.

The second table brings up to date particulars regarding the four orders which have been among the most active propagators of the fraternal idea, and it is worthy of remark that in 1905 every one of the four showed a falling off in membership, a higher death rate and increased mortuary cost to the members. In the case of one order the members have been dropping away for the past fifteen years, until there is now less than one-third the membership reported at the beginning of that period. The increasing death rate and consequent high cost would seem to indicate that the end of this order is in sight, more especially so as it has not enough funds in hand to meet even current liabilities.

In the third table there is shown the growth or decline of 102 fraternal orders in membership during 1905, which table affords a striking indication of the importance of the subject of fraternal insurance to millions of the inhabitants of the United States. This list embraces orders over ten years of age, the smallest of which has more than 1000 certificates in force. The totals show that during 1905 these orders took in 715,399 members, and at the close of the year their certificates covered 4,804,713 persons, the gain in that item being 153,202. Gains amounting to 295,728 were shown by seventy-five orders, while twenty-seven others show a loss of 142,526. Five orders show gains in excess of 10,000 each, the largest order rivaling even the leading old-line companies. The interests of the nearly 5,000,000 members who have confided their insurance protection to these orders are certainly worthy the most careful consideration.

In Table IV. there is presented the death rate for a series of years

of thirty leading orders, based on the mean number of certificates in force. Twenty years are included in the tabulation, and a study of the figures will show that many of the orders are in a very precarious condition. The variations in the showing for the year 1905 are most marked, the lowest ratio being 5.5, while the highest is 34.9. Only twelve orders show a ratio of less than ten in the thousand, while no less than eight exceed twenty in the thousand. The figures for 1905 are presented in detail, thereby affording a guide to the relative size of the several orders, as well as the figures upon which the percentages are based. It will be observed that magnitude of membership does not protect the orders from an increasing death rate, and many of them are in such a condition as to make their protracted continuance in business a source of alarm.

The millions upon millions of dollars distributed by fraternal orders in the past thirty years and more have unquestionably been productive of much good, but in order that the good work may be continued without jeopardy it is necessary that radical measures be taken to make every member pay the full cost of his insurance. In Table V. it will be noticed that there is a wide variation in the scale of charges for the same benefits, many orders still charging an insufficient amount. Adequate rates is the only method of preserving many of these orders, and they cannot afford to hesitate much longer before making the change.

Annual Convention of Life Underwriters.

The seventeenth annual convention of the National Association of Life Underwriters will be held in St. Louis on October 23, 24 and 25, the official headquarters of the convention to be at the Southern Hotel. The Hotel Jefferson and the Planters will take care of any overflow. There will be an unusual number of visitors in St. Louis, especially in consequence of the National Bankers Association of America meeting to be held the week immediately preceding the week of the convention, and an early reservation of accommodations is advised. The usual arrangements will undoubtedly be effected with the Traffic Association, by which those attending the convention can secure round trip tickets at one and one-third fare.

The topic decided upon for the prize essay contest this year, "The Relation of the Public Press to American Life Insurance," is of exceeding interest. All essays must be forwarded to E. J. Clark, secretary, 1041-1051 Calvert building, Baltimore, Md., not later than September 5, 1906. The three topics to be presented at the convention for the usual five-minute discussions are as follows: First—"How can it be demonstrated to the public that the soliciting agent is essential to the successful conduct of life insurance?" Second—"By what lines of action this coming year can the National Association best advance the whole association movement everywhere, both in its own life and growth, and

in its public influence and usefulness?" Third—"How can the meetings of local associations be made most attractive and most productive of benefit to the business of life insurance?"

Equitable Will Stay in France.

Paul Morton, president of the Equitable Life, is on his way home from an European trip in connection with the business of the Society. While abroad he was heard before the select committee on insurance of the House of Lords in London and considered the matter of compliance with the newly adopted French laws relating to foreign life insurance companies. In this connection he gave out the following statement:

After the most deliberate consideration, it has been decided that the Equitable shall apply for registration under the new insurance laws of France, make the necessary deposits with the Government, and continue doing business there. I am thoroughly convinced of the most friendly disposition on the part of the French authorities toward the American companies, and that they desire to have us remain. The new laws of France are no more stringent than the new American statutes. Although we do not like the retroactive features, we shall comply with them. Our society already owns valuable realty in Paris, so it will be no hardship for us to comply with the requirement to invest in French securities.

The statement adds that the scandals concerning American insurance companies, especially the Equitable, have been greatly exaggerated, points out the cordial feeling existing between the French and Americans in all lines, and says that the rapid business development in the United States offers French investors exceptional opportunities to obtain selected American securities as being sound and yielding larger returns than investments anywhere else in the world.

American Life Convention.

The annual meeting of the American Life Convention, composed of legal reserve life insurance companies of the Western, Southern and Central States, will be held at Chattanooga, Tenn., September 28 and 29. The programme includes reports on agents and agencies, medical examinations, federal supervision or proposed Congressional legislation and uniform laws, valuations and dividends. The meetings will be held at Lookout Inn. The convention now has thirty companies on its roster, and may have forty by the time of the meeting.

Casualty, Surety and Miscellaneous

Report on Empire State.

The New York Department has just finished another examination of the Empire State Surety as of June 30, 1906, which shows assets of \$1,337,476 and a net surplus of \$37,599. The liabilities include unpaid claims, except liability claims, of \$55,984. Reserve for unpaid liability claims, \$34,485; unearned premiums, \$389,611. Other items bring the total liabilities, except capital and surplus, up to \$549,877. The surplus to policyholders is \$787,599. When the last examination was made as of December 31, 1905, the capital was found to be impaired to the extent of \$55,056. To make good this impairment, \$250,000 was added to capital and \$125,000 surplus.

In connection with the payment of dividends, the examiners say:

On March 14, 1906, pursuant to a resolution passed at a regular meeting of the board of directors, a dividend of two and a half per cent was declared. We file herewith certified copy of such resolution. This dividend was paid out of the assets of the company on March 31, 1906, as shown by the cash book. From our examination we find nothing indicating a betterment in the financial condition of this company during the period elapsing from December 31, 1905, when the company's capital was impaired to the extent of \$55,056.50, and the date of such declaration of dividend. On June 12, 1906, the executive committee passed a resolution recommending to the board of directors a declaration of a dividend of two and a half per cent on the capital stock of the company. We file herewith certified copy of such resolution. This dividend was paid out of the assets of the company on July 2, 1906, as shown by the cash book. As set forth in this report the surplus of the company on June 30, 1906, amounted to \$37,599.20. It is quite evident that on June 12, 1906, the date of the declaration of the last dividend, the company was in possession of no surplus whatsoever, but on the contrary its capital was badly impaired.

A sale to the president of the company, June 27, 1906, of twelve hundred (1200) shares of Interborough Metropolitan stock owned by the company, for the sum of \$135,700, being \$44,500 above the market price of said stock on that date, was inquired into and satisfactorily explained as having been a bona fide sale duly authorized and made to protect the interests of the company. As indicated in the minutes of the meeting of the board of directors of March 14, 1906, the sale of this stock (then Metropolitan Street Railway) was considered and the chairman authorized to dispose of same at the best terms obtainable.

Detroit Conference Programme.

The annual meeting of the Detroit conference will be held at Hotel Oakland, St. Clair Springs, Mich., August 22, 23 and 24. The papers to be read, upon which discussions are invited, are as follows: "The Importance of the Doctor in Health and Accident Insurance," W. J. Means, American Insurance Union. "Advantages of Co-operation Between Insurance Companies Writing Similar Lines of Business," F. C. Oviatt, The Philadelphia Intelligencer. "The Element of Life Insurance in Accident Insurance and Life Insurance in Connection with Accident Insurance," D. E. Stevens, Commonwealth Casualty Company. "Irresponsible and Unreliable Agents," F. R. Pitcher, United States Accident and Health Company.

Casualty Notes.

—It is reported that the Continental Casualty will give up its accident branch in Great Britain.

—A London insurance company is now covering against damage done by balloons and paid its first claim on this hazard a few days ago.

—In reporting the 1905 accident business of the Employers Liability Corporation in Massachusetts an error was made in stating the losses incurred as \$53,883. This item should read \$7356 and the percentage of losses incurred to premiums received, 34.5.

—There is talk of reducing the burglary rates in small cities, where the losses are light. Agents in these towns claim that at the present rates charged there is no inducement to push the business. The districting of large cities and rating according to the hazard of each district is another plan under consideration.

—The Title and Guaranty of Dallas, Tex., the only company of its kind in the State, has been incorporated. Its charter has been approved and filed with the Texas Insurance Department. The company has a paid-up capital of \$100,000. J. H. Peckrell, Thomas Shearen and William G. Breg, all of Dallas, are the incorporators.

Surety Notes.

—On July 1 the Bankers Surety reported assets of \$718,933 and net surplus of \$76,333.

—Luther G. Gadd of Jersey City has been appointed State agent for the Empire State Surety, succeeding Chas. Watson & Co.

—The Peoples Surety will soon be in its new quarters at 76 William street, New York, and will begin issuing accident and health policies, which lines the company has decided to take up.

—Frank K. Houston of Nashville, secretary of the Tennessee Bankers Association, has been appointed general agent for the Aetna Indemnity in Tennessee in all its lines, succeeding T. Walter Hardy, Jr.

—Second Vice-President S. E. Rauh of the Federal Union Surety has been elected first vice-president, succeeding the late Alexander Greig, and C. M. Abbott, who represented the company in Chicago, has been elected second vice-president.

—The Surety Underwriters Association held its first regular meeting in Philadelphia on August 8. Hereafter the association will meet on the first Wednesday of each month. Five companies, the American Bonding, Aetna Indemnity, Bankers Surety, Peoples Surety and the Title Guaranty and Surety, were represented at the meeting last week.

—Following the demand by Coroner Julius Harburger of New York city for a surety bond of \$5000 in the case of an engineer, arrested after his locomotive killed a laborer at Park avenue and 125th street on August 1, the New York Central Railroad has given a large bond, which probably establishes a record for cases of this sort. The company furnished bond for \$750,000. Coroner Harburger said in connection with this matter: "I'm going to break up this parole system so long in vogue in this office. The traction companies will have to give heavy bond and you may not believe it, but motormen are not running down half as many people since their companies had to go to the expense of giving surety bonds."

Acknowledgments.

—Volumes II. and III. of the annual report of the New York Insurance Department.

—The annual report of the Auditor of State of Indiana for the year ending December 31, 1905, is at hand.

—The report of the Insurance Commissioner of Tennessee covering life, casualty and fraternal insurance.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Aetna Insurance Company, Hartford.

Semi-annual statement, July 1, 1906: Assets, \$17,149,399; reinsurance reserve, \$5,131,243; net surplus, \$4,590,020.

American Central Insurance Company, St. Louis.

The stockholders of this company have unanimously voted in favor of increasing the capital stock from \$1,000,000 to \$2,000,000 by the sale of 10,000 additional shares at \$200, thus adding \$1,000,000 to the company's surplus.

American Guaranty Fund Mutual Fire Insurance Company, St. Louis.

This company is actively engaged in canceling its outstanding policies, preparatory to closing business. The American Guaranty Fund Mutual Fire has \$150,000 on deposit with the Missouri Insurance Department, which cannot be withdrawn until all of its outstanding policy liability is canceled.

American Insurance Company, Newark, N. J.

Semi-annual statement as of July 1, 1906: Assets, \$6,225,699; reinsurance reserve, \$2,814,309; net surplus, \$1,448,346.

British Union Assurance Society, Ltd., London, England.

Upon petition of E. B. Sheppard, a judgment creditor for £300, a compulsory winding up order was issued against this society on July 24 by Justice Buckley in the Companies Winding-up Court. This society was represented in the United States for surplus lines by C. W. Peasley & Co., New York.

California Insurance Company, San Francisco.

At a recent meeting of the stockholders of this company it was formally agreed to pay 100 cents on the dollar on the losses suffered by the company in the San Francisco conflagration. Every stockholder present individually pledged himself to pay all assessments as they were levied. Already \$728,000 has been paid in. The California losses aggregate \$1,325,000.

This company has just levied a second assessment of \$40 per share to make up its conflagration losses. The law prohibits an assessment for more than par value at one time, and, as the company has decided to raise \$200 per share, it must proceed to five assessments in order to raise the amount required.

Citizens Insurance Company, St. Louis.

Semi-annual statement as of July 1, 1906: Assets, \$852,118; reinsurance reserve, \$360,502; net surplus, \$76,759.

Dutch Underwriters, Amsterdam, Holland.

This association, a combination of twenty-seven Dutch fire companies, which has been writing excess lines in this country, is canceling all its outstanding policies in the United States, preparatory to quitting business here.

Dutchess Fire Insurance Company, Poughkeepsie, N. Y.

This company has been licensed by the New York State Insurance Department. It is capitalized at \$200,000, and the following-named officers have been elected: L. H. Vail, president; Milton A. Fowler, vice-president; J. J. Graham, secretary, and Fred L. Vail, assistant secretary.

Fire Association of Philadelphia, Philadelphia, Pa.

Semi-annual statement as of July 1, 1906: Assets, \$7,056,921; reserve for losses, \$1,271,768; reinsurance reserve, \$4,723,921; net cash surplus, \$561,531.

German National Insurance Company, Chicago, Ill.

Semi-annual statement, July 1, 1906: Assets, \$1,326,311; reinsurance reserve, \$682,590; net surplus, \$226,316.

Home Fire and Marine Insurance Company, San Francisco, Cal.

In a letter to policyholders answering their inquiries regarding the present situation of this company, President Dutton summarizes the Home Fire and Marine losses as follows:

Normal loss of Home Fire and Marine Insurance Company, say.....	\$1,500,000
Add for Pacific Underwriters' losses, say.....	350,000
Possible failure to collect from reinsurers, say.....	200,000

Total \$2,050,000

As against this, the Home Fire and Marine has net assets over other liabilities:

Capital	\$300,000
Net surplus	515,000
Received from Firemans Fund Insurance Company.....	600,000

Total \$1,415,000

It is reported that Insurance Commissioner Wolf of California stated that the Home Fire and Marine and the Firemans Fund would be given four weeks in which to make up the deficiency between their assets and liabilities. If at the end of that time this has not been done, he will bring proceedings to have their licenses revoked and request Attorney-General Webb to take the necessary action to wind up their affairs.

Michigan Commercial Insurance Company, Lansing, Mich.

Semi-annual statement, July 1, 1906: Assets, \$680,398; reinsurance reserve, \$223,446; net surplus, \$136,312.

National American Insurance Company, Philadelphia, Pa.

Louis S. Amonson, who has resigned as of September 1 as first vice-president of the Union of Philadelphia, together with Thomas K. Ober, Jr.; Julius Schwaab of Paterson, N. J.; Henry P. Magill of Chicago, and James F. Stone of Stone, Mathews & Co., are interested in the organization of a new fire company to be known as the National American. The authorized capital is \$1,000,000, and the proposed surplus \$1,000,000. A majority of the capital has already been subscribed. Mr. Amonson will have charge of the underwriting operations of the new company.

North German Fire Insurance Company, Hamburg, Germany.

The outstanding risks of this company on the Pacific Coast have been reinsured in the National Fire Insurance Company of Hartford.

Northwestern National Insurance Company, Milwaukee, Wis.

Semi-annual statement, July 1, 1906: Assets, \$4,135,371; reinsurance reserve, \$1,981,130; net surplus, \$1,013,684.

Phoenix Insurance Company, Hartford.

Semi-annual statement, July 1, 1906: Assets, \$8,340,692; reinsurance reserve, \$3,397,326; net surplus, \$951,777.

Southern Fire Insurance Company, Lynchburg, Va.

The stockholders of this company have decided to dispose of 16,800 shares of its stock to stockholders and a local syndicate, the stockholders being given preference and the syndicate taking the remainder. This will give the company capital and surplus of about \$500,000.

Sterling Fire Insurance Company, Quebec, Canada.

This company was incorporated under the laws of the Province of Quebec, and began business in April last. Its authorized capital is \$1,000,000, subscribed \$100,000, and paid in \$30,000. The company is writing surplus lines in this country through T. Tileston & Co., New York.

Transatlantic Fire Insurance Company, Hamburg.

The following statement was recently given out by the officials of the company:

The Transatlantic Fire Insurance Company denies liability, upon the ground that the losses arose from an overwhelming catastrophe, due to a visitation of Providence, for indemnity against the consequences of which the policy never was intended to provide, and does not provide. Moreover, the attitude of the reinsuring companies at home compels the Transatlantic to assume this position.

An attorney representing the unpaid policyholders of this company has announced his determination to bring separate suits on behalf of the alleged creditors in the courts of Germany.

United States Fire Insurance Company, New York.

This company has resumed business. It has its capital intact and a liberal surplus, and will operate conservatively in a restricted field.

Reinsurances.

In view of the numerous instances in which companies which suffered heavily by the San Francisco conflagration have transferred their remaining risks to other companies, it may not be out of place to suggest that policyholders in such reinsured companies should secure some acknowledgment of liability on the part of the companies taking the risks. This might be done by having the companies to which the risks were ceded substitute their policies for those of the original writing companies, or by indorsement upon the latter, stating their assumption of responsibility thereunder.

Hustling broker commanding considerable suburban business could take Agency for good company.

"Broker,"

SPECTATOR OFFICE.

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JESSE M. WHELOCK, Gen. Agent, Denver, Colorado

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VOL. LXXVII. THURSDAY, AUG. 23, 1906. No. 8.

WHOLESALE REBATING CHARGED.

DURING the course of the life insurance investigation last year, considerable testimony was brought out relative to the practice of rebating, and in the subsequent amendments to the New York law further attempts were made to prevent such practices. For many years it has been admitted that rebating was the greatest evil with which the honest solicitor had to contend, and innumerable laws have been passed to minimize the evil. It has been generally supposed that after the troubles of last year, companies and agents alike would be very careful not to transgress in this particular matter. So far as we can learn, from general sources of information, there have been few complaints during the current year of heavy rebating, possibly due to the fact that the heavy rebaters have either been driven out of the business or that they have been afraid to push their practices while the public mind is so unsettled regarding the whole subject of life insurance. It is evident, however, that the evil has not been entirely eliminated, and reports come to us from sections somewhat remote from New York that the rebater is still abroad. A daily paper published in Texas makes charges against a New York company, without mentioning it by name, which deserve prompt investigation. Allowing something for the exaggeration common to all daily papers, the published story claims that many men in the city of publication have taken policies at a cost of from \$3 to \$5 per \$1000. One banker is said to have secured a policy for \$100,000 at a cost of only \$500, while other policies ranging from \$5000 to \$30,000 have been issued at the same rate or even lower. The newspaper story is substantiated by the report of an agent of a prominent company, who claims that the offers of rebates have become so well known that he and representatives of other companies cannot secure applications unless they are prepared to meet the rate, which, of course, they cannot afford to do. The men who are securing these rebates openly proclaim their intention of dropping the insurance at the end of the policy year, and argue that they are in the meantime securing very cheap insurance. THE SPECTATOR has entered into correspondence with parties familiar with the transac-

tions reported as going on in the Texas town in question, with a view to bringing the matter to the attention of the company guilty of such practices. No words can be too severe in condemning such practices on the part of either agents or companies at such a critical time in the history of the business as the present.

ACTUAL VS. EXPECTED MORTALITY.*

THE publication of the gain and loss exhibit during the past ten years or so has enabled students of life insurance statistics to obtain a more comprehensive idea of many points entering into the management and practice of life insurance companies. Perhaps the most valuable feature brought out by this exhibit is the experience of the several companies as to the actual death rate as compared with the expected as indicated by the mortality tables. For many years the common method of showing the death rate was by comparing the number of deaths with the mean number of policies in force, or the amount terminated by death with the mean amount in force. This method when applied to legal reserve companies is liable to be misinterpreted for several reasons. A high rate on this basis is merely an indication that the bulk of the business has been in force some years, and naturally the terminations by death must be greater proportionately in a company where the average age of the policies is considerably greater than in another institution. Even the age of the company itself cannot be considered in this connection, for two companies of equal age may show wide variations in the death rate on this basis, owing to varying proportions of new business assumed each year.

Inasmuch as all legal reserve companies base their premiums on a specified table of mortality, with a given rate of interest, the death strain must properly be measured by a comparison of the amount actually incurred by death (less reserve accumulated on the policies thus terminated) with the sum expected to be incurred as shown by the mortality table in use. The comparison should also extend over a considerable period of time so as to offset to some extent the effect on the rate of large volumes of newly selected business. In making up the gain and loss exhibit the companies are required to show the following items on the credit side: Expected mortality on insurance; deduct expected mortality on reserve; expected mortality on net amount at risk. And on the debit side, death losses incurred; deduct reserves released by death; actual net mortality on insurance. The difference between the expected mortality on net amount at risk and the actual net mortality on insurance is the saving effected on mortality, and the second item divided by the first gives the percentage of actual to expected mortality.

The accompanying table is prepared on this basis and shows the percentages for a large number of companies year by year for a period of ten years, together with averages for two five-year periods and for the entire ten years. During the period under consideration (1896-1905) the ordinary companies have effected an average saving of approximately twenty-three per cent on mortality, while in the case of sixteen companies the average saving has been in excess of

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PERCENTAGE OF ACTUAL TO EXPECTED MORTALITY.

COMPANIES.	1896	1897	1898	1899	1900	1901	1902	1903	1904	1905	AVERAGES.		
											1896 to 1900	1901 to 1905	1896 to 1905
Ætna Life.....	64.38	80.61	66.37	72.17	64.05	67.61	68.11	65.61	67.18	66.03	69.92	66.91	68.42
American Central.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	45.48	-----	-----	-----
Bankers of Nebraska.....	-----	29.14	50.66	39.98	-----	-----	-----	-----	-----	29.19	-----	-----	-----
Bankers Reserve.....	-----	-----	-----	-----	-----	-----	-----	-----	25.07	40.16	-----	-----	-----
Berkshire.....	59.58	62.17	75.76	76.11	66.29	81.81	-----	-----	-----	-----	67.98	-----	-----
Canada.....	68.39	68.08	70.45	70.41	79.99	76.70	67.84	72.99	71.48	76.50	71.46	73.70	72.58
Central Life.....	-----	-----	-----	-----	-----	-----	-----	-----	43.85	31.05	-----	-----	-----
Chicago Life.....	-----	-----	-----	-----	-----	-----	-----	-----	26.26	70.74	-----	-----	-----
Columbian National.....	-----	-----	-----	-----	-----	-----	-----	-----	57.31	51.96	-----	-----	-----
Connecticut General.....	64.60	62.61	48.38	51.44	54.15	38.78	55.29	64.16	56.28	64.55	56.30	55.81	56.05
Connecticut Mutual.....	78.47	84.47	76.88	77.85	82.60	74.98	77.40	80.14	89.67	78.44	80.05	80.13	80.09
Conservative.....	-----	-----	-----	-----	-----	-----	-----	-----	56.81	59.28	-----	-----	-----
Des Moines Life.....	-----	-----	-----	-----	-----	-----	70.50	60.60	51.25	51.52	-----	-----	-----
Equitable, New York.....	91.57	81.76	90.53	93.37	86.41	85.10	86.04	89.89	80.06	79.60	88.73	84.34	86.53
Equitable of Iowa.....	70.64	76.96	56.93	37.29	35.01	74.54	69.12	58.46	68.30	43.13	55.37	62.71	59.04
Federal.....	-----	-----	-----	-----	-----	-----	-----	-----	38.97	31.70	-----	-----	-----
Fidelity Mutual.....	-----	-----	-----	121.33	97.03	71.74	77.64	68.09	70.33	71.98	-----	71.96	-----
Franklin.....	-----	-----	-----	82.23	74.00	88.71	-----	-----	-----	67.32	-----	-----	-----
Germania.....	78.92	80.69	81.78	91.22	78.85	86.68	74.48	73.97	73.73	76.33	82.89	77.04	79.96
German Mutual.....	-----	-----	256.51	44.17	-----	-----	-----	-----	-----	56.73	-----	-----	-----
Hartford.....	-----	-----	-----	91.18	91.20	70.03	96.80	101.08	98.61	96.12	-----	92.53	-----
Home.....	80.42	81.44	86.34	74.89	61.18	78.94	73.08	71.98	80.41	64.43	76.85	73.77	75.31
Inter-State.....	-----	-----	-----	-----	-----	-----	-----	-----	42.36	45.16	-----	-----	-----
Illinois Life.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	77.30	-----	-----	-----
Kansas Life.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	17.65	-----	-----	-----
Manhattan.....	86.36	93.17	91.24	79.40	83.65	86.42	76.91	75.55	75.79	72.20	86.76	77.37	82.07
Massachusetts Mutual.....	67.30	58.39	81.47	77.3	63.58	71.50	59.83	61.29	70.23	81.27	69.71	69.42	69.53
Michigan Mutual.....	67.70	79.29	70.30	69.48	71.06	97.25	78.93	72.03	79.01	69.14	71.57	79.27	75.42
Minnesota Mutual.....	-----	-----	-----	-----	-----	-----	82.18	71.82	78.66	73.82	-----	-----	-----
Missouri State.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	66.21	-----	-----	-----
Mutual Benefit.....	77.42	79.15	72.12	78.97	77.46	74.75	74.49	78.85	80.88	79.09	77.02	77.61	77.32
Mutual, New York.....	78.21	76.56	78.96	92.89	73.94	75.78	72.98	80.63	83.87	83.25	80.11	79.30	79.70
National of U.S. of A.....	-----	-----	-----	-----	-----	57.41	70.00	74.80	78.47	67.96	-----	69.73	-----
National of Vermont.....	64.17	64.05	57.06	73.24	65.76	67.35	70.74	60.42	55.91	68.01	64.86	64.49	61.67
New England.....	74.46	77.72	75.17	68.00	66.08	69.58	76.73	74.40	63.95	67.05	72.49	70.94	71.72
New York.....	87.51	84.75	79.80	86.52	78.17	88.10	80.79	74.18	82.29	77.75	83.36	80.62	81.98
Northwestern Mutual.....	53.68	61.33	62.21	61.45	63.02	63.72	60.91	66.27	66.37	67.37	60.34	64.93	62.63
Pacific Mutual.....	92.93	87.90	68.16	57.51	87.44	75.23	77.08	63.18	55.01	62.94	78.79	66.69	72.74
Penn Mutual.....	71.20	66.93	65.56	74.95	70.93	83.18	73.76	63.74	68.59	71.72	69.91	72.60	71.25
Phoenix Mutual.....	77.99	59.46	68.70	76.55	72.00	71.61	61.22	77.20	73.17	67.19	70.94	70.08	70.51
Provident L. & Trust.....	62.40	54.04	70.09	65.20	59.30	53.17	53.19	62.70	50.17	52.74	62.21	53.99	58.10
Provident Savings.....	97.57	91.07	72.79	79.88	95.33	95.02	87.85	86.62	98.43	92.29	87.33	92.01	89.68
Reliance.....	-----	-----	-----	-----	-----	-----	-----	-----	25.86	76.39	-----	-----	-----
Reserve Loan.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	17.82	-----	-----	-----
Royal Union.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	50.17	-----	-----	-----
Security L. & A. of Am.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	36.84	-----	-----	-----
Security Mutual.....	-----	-----	-----	-----	104.58	92.67	71.66	70.87	84.81	81.61	-----	80.92	-----
Security Tr. & Life.....	143.02	94.69	101.29	116.01	112.45	112.15	104.90	99.47	121.89	120.10	114.03	111.70	112.90
State Life.....	-----	-----	60.31	65.27	54.41	72.90	56.67	63.02	66.33	58.87	-----	64.56	-----
State Mutual.....	56.33	54.25	60.68	64.44	53.44	59.81	49.48	79.62	60.19	78.76	59.03	65.58	62.30
Travelers.....	70.50	60.08	59.56	63.46	89.62	79.46	66.37	82.44	84.48	94.11	68.64	81.37	75.00
Union Central.....	70.00	75.98	61.23	57.27	69.35	59.46	56.47	58.02	64.15	55.59	67.37	58.74	63.05
Union Mutual.....	58.25	80.86	76.38	78.73	78.53	80.10	72.47	67.23	70.19	66.13	74.55	71.22	72.88
United States.....	113.09	80.10	79.45	104.24	92.96	74.91	83.17	84.54	100.99	107.96	93.97	90.32	92.15
Washington.....	90.91	83.39	83.90	79.89	97.55	123.74	87.77	89.96	86.73	92.64	87.13	95.57	91.35
Wisconsin.....	-----	-----	-----	-----	-----	-----	-----	-----	95.58	71.56	-----	-----	-----
Averages.....	78.70	76.90	70.62	82.86	76.64	78.46	75.40	77.08	77.88	76.33	77.14	77.03	77.08
Industrial Co's.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
John Hancock.....	84.91	92.54	92.63	109.38	103.10	92.92	84.61	88.79	89.64	83.11	96.51	87.81	92.16
Metropolitan.....	143.91	127.47	122.46	116.42	117.18	113.93	107.41	110.54	113.91	108.27	125.49	110.82	118.16
Prudential.....	131.65	131.15	122.16	118.66	115.41	112.92	110.23	117.68	114.99	107.21	123.81	112.61	118.21
Averages.....	127.83	122.02	116.41	114.77	113.96	110.4	104.49	109.28	110.23	103.45	119.00	107.52	113.26

twenty-five per cent, three of them being able to show more than forty per cent gains. The high percentage shown by the industrial companies is due mainly to the fact that they make up their figures on the ordinary mortality tables instead of on special tables based on industrial experience.

THE world was shocked last week to learn of a catastrophe in Chili which, it was at first feared, would eclipse that at San Francisco in April last. Later advices, however, indicate that, although the earthquake seriously damaged Valparaiso, Santiago, and other lesser cities, the loss by fire did not nearly reach that at San Francisco. It is possible that the entire property lost has run into the hundreds of millions, but the greater portion of it appears to have been due to

earthquake, so that it is not anticipated that fire insurance interests will be seriously affected. In fact, the stringency of recently enacted laws of Chili is such that it is believed that many, if not all, of the foreign fire insurance companies which formerly operated in that country have withdrawn therefrom, leaving the business to the local companies, with perhaps some indirect writings on the part of the foreigners by reinsurance. It is understood that no United States companies had transacted any business in Chili. The loss of life because of the earthquakes and fires is variously estimated up to 1000. With so close and recent an object lesson as the disaster at San Francisco, the American people are able to appreciate the conditions which now exist in Chili, and to sympathize fully with their afflicted South American neighbors.

LIFE INSURANCE TOPICS

BOSTON AND VICINITY.

The Great Eastern Casualty and Indemnity of New York was admitted to Massachusetts, August 15, to do a casualty business.

R. L. Pond has resigned the general agency of the Union Central Life of Cincinnati. The company has opened independent offices in Boston.

NOTES FROM PHILADELPHIA.

John W. Donahue, resident manager of the Maryland Casualty Company, returned to his office this week after a vacation of two weeks, spent in Massachusetts. He looks well and expresses himself as ready and determined to advance the interests of the Maryland with greater vigor than ever.

At auction last week twenty shares of the capital stock of the Philadelphia Life brought \$23 per share.

At a meeting of the stockholders of the Philadelphia Life last week it was voted to increase the capital stock from \$300,000 to \$1,000,000, in accordance with the recent resolution of the board of directors. Of the 30,000 shares outstanding 16,840 were voted in favor of the increase and only 315 against it. The board room was filled to overflowing.

An average price of \$5000 per finger was asked in two suits instituted in this city last week. A boy who lost five on his right hand by it being caught in a lathing machine, asks for \$25,000; another boy who lost three fingers on his right hand by its being caught in a machine which was alleged to have been started without warning, demands \$15,000 damages.

THE MIDDLE STATES.

—Willard J. Burtis, special representative of the New York Life at Granville, N. Y., died recently at his home in that town of heart disease after a protracted illness.

—Since its inception in October last, the Philadelphia Life has made rapid progress. Last month over \$2,700,000 of new business was written, practically all of which has been paid for. This makes the total amount of business written since organization up to the end of July something over \$15,500,000.

—Only two of the former home office force of the Security Trust and Life of New York, which company was recently purchased by the Pittsburgh Life and Trust, go to the Pittsburgh office of the latter. They are Daniel Bleil, actuary, and Mr. Casey, head bookkeeper. Former President Bradley has retired from the insurance business.

—The Grand Fraternity of Philadelphia reports that the first six months of the current year was the best half-year in its history, the month of June being especially productive. Its various districts are putting forth special efforts to be enrolled among the leaders, and the prospects for the remaining months of the year are cheering all through the thirty States in which the order operates.

—The American Assurance of Pennsylvania has petitioned the Circuit Court of Chicago for the issuance of a writ of mandamus against Superintendent of Insurance Vredenburg, directing that official to grant a license to transact business in Illinois to the plaintiff company. It appears that the Superintendent refused a license to the American Assurance on the ground that a foreign company licensed to transact a health and accident business under the casualty law and life insurance under the life law may not issue a policy covering both kinds of business.

THE WEST.

—O. G. Wilson, formerly inspector of agencies in Iowa for the Equitable Life, has been appointed Iowa State agent for the Reliance Life.

—It is expected that at the next session of the Iowa Legislature, a State Insurance Department will be organized separate and distinct from that of the Auditor of State.

—C. F. Bishop, vice-president and general manager of the Colorado National Life, has sold his five-year contract and resigned. A. M. Gildersleeve succeeds him as manager.

—The Elkhart Mutual Life Association has been placed in the hands of Arthur E. Darling as receiver. This company recently transferred its 1400 policies to the Marquette Mutual of Chicago.

—The Occidental Life of Albuquerque, N. M., which was organized in June last, has commenced writing business in New Mexico and Arizona. The capital

stock of the company is \$100,000 and the officers are: Joshua S. Reynolds, president; Sol. Leena, C. F. Ainsworth, R. J. Polen, vice-presidents; J. H. O'Reilly, secretary and general manager.

—It is expected that the Iowa Legislative Insurance Commission in its recommendation on fraternal rates will disregard the National Fraternal Congress tables, on the ground of inadequacy, and recommend rates based on the American Experience Table of Mortality.

—The Illinois Life announces that hereafter it will make all life policies endowments at age 65, if the assured desires to pay a small extra premium. This applies both to participating and non-participating forms, to optional endowments and annual dividend policies. The scale of extra premiums charged runs from \$2.87 at age 21, to \$10 at age 40.

—In explanation of the impairment of the Chicago Life, shown by an examination of the Colorado Department, the officers of the company state that this is due to a law of the above State which provides that the entire capital stock of a company must be treated as a liability, whereas the Illinois statutes require the maintenance of \$100,000 in addition to the regular reserves. The capital stock of the Chicago Life is \$150,000, so that the additional \$50,000 required under the Colorado laws made the difference between a surplus and an impairment.

—F. L. Smart, the vice-president and general director of agencies of the Security Life and Annuity Company of America, announces his intention of resigning that position by September 1, in order to take a contract with the company as manager for the States of Illinois, Indiana, Iowa, Michigan and Wisconsin. J. H. Dunn, the assistant director of agencies, will be associated with him. Mr. Smart has been very active in placing the company in a good position, both from a business and financial standpoint, and now takes the field in order to work out certain ideas which will insure a normal and healthy growth to the company. His well-known ability affords a guarantee of his success.

THE SOUTH.

The Greensboro Life Insurance Company.

On July 22 the Greensboro Life Insurance Company of Greensboro, N. C., completed the first year of its corporate existence and the occasion was fittingly commemorated. In the first place the field force sent in applications for new insurance amounting to \$102,500 as a birthday gift, and secondly the man who made possible the success of the company, Secretary E. Colwell, Jr., was the recipient of a handsome loving cup of silver. Officers and agents were represented in the contributions to the cup and a number of them were on hand when the presentation was made in their behalf by Actuary I. Smith Homans. Accompanying the gift was a parchment scroll paying tribute to Mr. Colwell's ability and signed by all the donors.

The field force also celebrated the anniversary month by forwarding applications for over \$1,000,000 of new business, making it the banner month in the company's history and at the same time rounding out a year of wonderful success. On the last day of the month the new applications received footed up \$145,500, so that in the short period of a year this new company had three \$100,000 days. Secretary Colwell and the officers associated with him are quite proud of the record of the first year, and as the contracts offered are of first-class quality and are sold strictly on their merits, the policyholders are a well-satisfied body, willing at all times to say a good word for the Greensboro Life.

—John C. Drewry of Raleigh, N. C., State agent of the Mutual Benefit Life, has been nominated to the State Senate.

—The Maryland Life of Baltimore has appointed the Southern State Trust of Charlotte, N. C., its general agents for Western North Carolina.

—James McCoy Ragan of Nashville, Tenn., general manager of the Prudential for Middle Tennessee, died suddenly on a train between Nashville and Craggie Hope, a week or so ago.

—M. Akers of Atlanta, Ga., manager of the Prudential of Newark, has become associated with R. W. Collyer of Macon, in the management of the Volunteer State Life of Chattanooga.

—The Reliance Life of Pittsburg has appointed James L. Dickey, Jr., its manager for Georgia, succeeding the firm of Milledge & Baxter. R. H. Milledge and R. B. Baxter, Jr., will continue with the company as field men under Mr. Dickey's supervision.

—Many life companies may be forced to withdraw from Louisiana, owing to the action of Governor Blanchard in vetoing the bill to prevent the local assessment of life insurance reserve loaned to policyholders. The Louisiana Supreme Court held that such loans are assessable at their face value, and the tax rate is about three per cent.

—Rupert P. Fry has been appointed special superintendent of agencies for the Guarantee Life of Houston, Tex., with headquarters at the home office. Mr. Fry has established a sound reputation as a personal producer and agency manager. For the past few years he has been opening up new fields and establishing agencies in the territory west of the Mississippi.

MISCELLANEOUS LIFE NEWS.

Life Insurance Developments of the Week.

The criticisms by the counsel of the international policyholders committee of Emory McClintock, vice-president of the Mutual Life of New York, culminated last week in the publication of a number of letters and telegrams written by the latter gentleman at the time certain legislation was pending in Massachusetts regarding a change in the standard of valuation. Those familiar with the legislation in question can see nothing in the correspondence submitted which looks like an attempt to impair the rights of the policyholders. On the contrary, the bill as passed preserved to the policyholders all their rights. The counsel promised to show that Mr. McClintock had told the legislative agent how to fix the bill, whereas the correspondence merely points out that in the opinion of leading actuaries and managers the bills as originally drafted were not in accord with practice. No complaint has been made as to the operation of the law either by Massachusetts companies or companies of other States, and so another great "exposure" turns out to be only a flash in the pan.

Reports of progress in the selection of anti-administration tickets are forthcoming daily, but no date has as yet been announced for their publication. The international policyholders committee has selected as secretary to succeed Seymour Eaton, Congressman Nicholas Longworth. His value, outside the use of his name, is problematical inasmuch as his time will be fully occupied during the next two months or more in his campaign for re-election to Congress.

The New York Life has come in for a little criticism this past week, it being charged that it is using the policyholders' money to secure favorable endorsements of its ticket. A circular is being distributed to policyholders which they are at liberty to sign if they so desire, but it is not a proxy and can only be considered as an indication of their feelings toward the present management.

Louis A. Thebaud, son-in-law of Richard A. McCurdy, returned from Europe last week. The Mutual Life has served complaints in the actions against former members of the expenditures committee to recover \$327,000 on vouchers, for which no accounting was made as to disposition. The parties sued are: Robert Olyphant, James C. Holden, Charles E. Miller and the executrix of Jacob Hobart Herrick.

Another life insurance development last week was seen in the talk of nominating Charles E. Hughes for Governor of New York on the Republican ticket.

Assurance in Great Britain.

[FROM OUR LONDON CORRESPONDENT.]

I have just had a conversation with one of the leading outdoor officials of a prominent and old-established British life office who tells me that he has profited very little by the upheaval in American life assurance; that his office has not laid itself out for the transfer of policies; that it, and he, consider the transferring of policies as not in accordance with the best traditions of life assurance business; and that in his opinion the policyholders in American offices will, as a body, be well advised to "remain where they are." I mention these facts, as they are representative of the views held by many of the leaders of insurance opinion on this side, and as showing the attitude adopted by a large number of British offices.

By a curious combination of circumstances public attention here has been directed to American insurance topics for many months past. The life assurance "revelations" were such as to evoke widespread interest of a most practical character. When public concern was at its height the lamentable disaster and conflagration at San Francisco occurred and brought in its train a loss of unprecedented magnitude to British fire offices. And last, but not least, the Mutual Reserve Life suddenly closed its British office and withdrew from the country. Each of these circumstances has had a far-reaching effect upon insurance interests here.

The chief effect of the San Francisco disaster has been to call attention to the great financial strength of British fire offices, as a whole, and which is in a great measure due to the existence of "the tariff" and to the labors, past and present, of that enlightened and far-seeing body the fire offices committee. In many instances the companies will be able to meet the losses arising therefrom out of balances brought forward upon profit and loss account, and only in exceptional cases will the fire funds be depleted to any great extent, although profits for the current year will suffer severely.

The conflagration has been the cause of many interesting paragraphs in chairmen's speeches, it has led to a visit being paid to the scene of the disaster by several prominent officials from this side, it has caused a call upon shareholders to be made by one company—the "State"—and

it will be much in evidence in the annual reports for 1906. It also brought about a smart drop in the shares of many of the leading offices, but a recovery set in almost immediately and market values are steadily rising. Insurance shares here have, indeed, with the exception of this set-back, been rapidly appreciating in value during the last two or three years, and at the time the disaster was announced several papers were strongly recommending such investments to their readers.

Beyond what I have indicated, little damage has been done. From time to time, however, this subject is in evidence, in unlooked for directions, and only the other day the "gilt-edged" market was adversely affected "by further sales on behalf of insurance companies."

There is no doubt that most of the fire insurance companies just now find their hands full in coping with their foreign business, and it is, perhaps, not altogether by accident that at this juncture they should be called upon to face increasing competition at home. Accident and miscellaneous insurance companies have lately urged that their business has been unduly cut into by the great fire companies, and several accident offices—including the far famed "Ocean"—have started fire insurance departments and are developing them with commendable vigor. The position is an interesting one, and it is somewhat significant that immediately following the absorption of the old and honored "Hand in Hand," "Westminster" and "County"—the three surviving profit-sharing "tariff" fire offices—the scheme for granting bonuses in respect of fire policies should be revived—as it has been—in another quarter.

A meeting of policyholders of the New York Life was held on the twenty-seventh ultimo, to consider the propriety of policyholders on this side taking steps of a protective character. It was stated at the meeting that some 200 British policyholders had expressed their approval of organization, but that, in the absence of a full list, which would shortly be available under the New York State law, it had been impossible to communicate with the majority of those interested. The object of the proposed combination, it was explained, was not to assist any British insurance company to grind its axe, but to make the proxies of British policyholders effective with a view to securing essential reforms, and to this end co-operation with the international policyholders committee was advocated. A resolution was adopted appointing an interim committee of five members to take preliminary steps for the formation of an organization upon the lines indicated.

The select committee of the House of Lords has concluded the public hearing of evidence in regard to the necessity or propriety of safeguarding the interests of British policyholders in life assurance companies having their chief offices outside the United Kingdom.

London, August 13.

CHARTERS.

Massachusetts Life Report.

Frederick L. Cutting, Insurance Commissioner of Massachusetts, has issued the text of his annual report on life and casualty insurance for the year ending December 31, 1905. His comments on the life insurance situation are extensive, and, among other things, he says:

For the past few years it has been very evident that the field of life insurance, instead of producing simply its normal harvest of protection for dependents when the head of the household was removed, was supporting rank and noxious growths, which, if not destined to destroy legitimate insurance, were bound to choke and supplant it to a great degree. This state of affairs became more noticeable in companies managed in the great business center of this country than elsewhere, for there the soil and atmosphere were peculiarly fitted for the development of pestilential financial growths. But it was a long time before the husbandman, which in this case was the public, was in a position to take the field in hand for renovation. Finally, however, the plow was set to work. It was a task which measured the strength and skill of the plowmen, for the snags were many. Here, firmly rooted, were tares planted by the hand of a great leader in insurance affairs. Here another species, sown by another and cultivated and tended in the darkness and obscurity of the night. There a heap of debris proved how industrious a third had been in his attempts to introduce a parasitic growth for his own advantage, to feed upon the legitimate crop which this field should have borne. * * *

Another picture of what was found, but with much less detail, is presented in the report of the Armstrong committee, and it would be well for everybody who is to take a hand in attempting to remove from the field the debris still remaining, or in adopting such safeguards that the true wheat only will have a chance to flourish hereafter, to read and ponder over the volume. All the more is this needed as we have receded quite a distance in time from the making of the disclosures by the New York committee, and it is easy to forget. That reading will call to mind that there really were some transactions unearthed which had a sinister look, however much apologies to-day may seek to throw the mantle of respectability about the responsible parties. It may also serve to refresh the memory as to why some life insurance presidents are now in exile and officers of high rank under indictment; why unlimited confidence cannot be placed in the advice proffered by some others, who still occupy responsible positions; why it is necessary for legislation to cover so many questions relating to life insurance, and to do it with such unsparing firmness; why the freedom which some companies merit, and would not abuse, cannot be granted; why the public expressed such re-

sentment and still shows it when approached on the subject of life insurance.

All this digging and plowing and exposing by the Armstrong committee was in its nature destructive work, and while it is not to be supposed that the field has been wholly cleared, but rather that there are many evil things which were not uncovered, much to the relief of trembling officials who were in terror of exposure, enough has been done to warrant legislation which will, if possible, prevent a recurrence of the abuses to which life insurance has for the past few years been subject. * * *

No information is at hand here to the effect that any State save New York has passed any law in respect to these two matters or any law to remedy the evils and abuses which have come to the public attention in the past two years. But investigations as a basis for legislation have been made and are in progress. Massachusetts has had a commission which made careful investigation and a report. The issues will now be considered by a recess committee of the legislature, and it will report its findings to the next general court. Ohio and Iowa each has a legislative investigating committee making inquiries and formulating bills. A committee of the New Jersey Senate is probing into the relations between life insurance funds, trust companies and other corporations. A committee of the Wisconsin Legislature has been for several months engaged in scrutinizing the practices of companies of that State and those of neighboring States doing business therein. Over the border the Canadian law-makers have also been active in their investigations of insurance companies. Aside from these more or less formal and official investigations in behalf of legislative bodies, with a view to future action based upon committee reports, there have been other attempts by organized bodies to study the question and formulate plans for action and bills for enactment. * * *

The Commissioner would be more inclined to treat at length this matter of legislation for Massachusetts were it not for the fact that the views expressed in the recent report of the commission appointed by the Governor to suggest amendments to our insurance laws have, in most respects, his cordial approval. In that report the issues are discussed calmly and with a high degree of intelligence. The conclusions show conservatism, but at the same time indicate courage to grapple with the evils which should be eliminated. Little needs be added to the words of the commission regarding valuation, deferred dividends, annual accounting, publicity, extravagance, investments, political contributions, control in mutual companies, salaries and vouchers, false estimates and misrepresentations, and several matters of minor importance. But it is a question, it seems to this Department, whether the conclusion of the commission adverse to standard forms of life policies is wise. It may be taken for granted that if only domestic companies had to be considered there would be little need of imposing the restraints of the law. Any great abuse would be reflected in a public sentiment which would reach and influence a local company. But it is too much to expect that such sentiment expressed in Massachusetts would influence managers far away and otherwise engrossed. The demand for standard forms results from grave abuses. One company doing business here has over two hundred forms of policies. Much of their language is technical, and it is only the truth to say that the ordinary policyholder has but a poor comprehension of his policy. Granted that there is no attempt at ambiguity or obscurity in the language used in these many forms, it is nevertheless the fact that most of them are complicated and unusual, and were designed not to meet a demand, but to create one for certain "frills" which the persuasive agent sets before the public as the best thing yet in life insurance.

But there are policies which do possess ambiguous provisions and some whose language is so technical, involved and obscure that it is almost impossible to interpret them. There are forms that especially offend as deceitful contracts. The ordinary holder in reading one of them would think himself entitled to a certain sum as a loan at a certain time, and he applies for it, only to be told that it will be made if he pays another year's premium in advance and not otherwise, and then the cunningly devised language is explained.

All these pitfalls for the feet of the great multitude of the unwary in life insurance matters can be removed, and ought to be removed, just as in fire insurance, by the adoption of standard forms, those standard forms to embody as far as practicable language now in use in approved contracts, which has been construed by the courts. There would thus in the course of time come to be a general understanding of the meaning of the contracts, for their language will have been subjected to judicial opinion, and when so construed could not be changed at the whim of some company manager. The quicker this is brought about, the sooner, as every insurance Department knows, will be removed one of the most prolific sources of complaint from policyholders. * * *

Examination of the National Protective Legion.

A report has been made to the Insurance Commissioner of Wisconsin of an examination of the National Protection Legion of Waverly, N. Y., conducted by Lee J. Wolfe. The concern works on the lodge system and writes two classes of policies, one known as class A, covering life and term insurance, while class B provides disability and death benefits with a dividend feature at the end of five years; no specific amount being promised.

The examiner reports the order to be possessed of gross assets amounting to \$2,421,112, from which he deducts unadmitted items of \$884,784 and non-ledger liabilities of \$4238, leaving a balance to protect contracts of \$1,532,090.

The class B certificates are criticised as being pure endowment contracts and the question is raised as to the right of the order to issue such certificates either under the laws of its own State or those of Wis-

consin. While the contracts do not specify any particular amounts to be paid, it has been paying the sum of \$250 under them, all disability benefits previously paid having been deducted with interest. The examiner calculates that the order has not earned sufficient to pay more than \$130 on the certificates which were matured in 1905 and quotes the president of the order as saying that the difference was made up "from the amount received from increase in members per year." The premium charged for these contracts is \$2 per month at all ages or a total of but \$120 in the five years. The order has until September 1 in which to file briefs with the Attorney-General of Wisconsin.

—The Aetna Life has just issued a new policy on the joint life non-participating plan, to be used exclusively for partnership insurance. The policy will be issued only upon the lives of business partners.

—The arrangements have been terminated, to take effect September 1, whereby the Manhattan Security Company has placed its life insurance risks with the Manhattan Life. After the above date the Manhattan Security Company will remove to the fifth floor of the Drexel building.

—The membership record of the Royal Arcanum for July shows that 474 new members were received and reinstatements numbered 78. There were 235 deaths and 1322 suspensions, causing a net loss in membership of 1005. The monthly returns since the beginning of the year show a total loss of 18,149, and since May, 1905, the loss has been 69,252. In July the order received in assessments \$741,700 and paid \$542,479 for death claims. A further payment of \$100,000 was made to the emergency fund, making \$300,000 transferred this year, and the fund now amounts to \$2,132,032. Unpaid death claims now amount to \$849,100, an increase of \$105,500 for the month.

INDUSTRIAL INSURANCE

—W. R. Frierson has been appointed agent in charge of the Orangeburg (S. C.) district for the Life Insurance Company of Virginia, succeeding Assistant James Calk, resigned.

—D. C. Williams, superintendent of the Prudential at Vincennes, Ind., has been promoted to the Evansville district and is succeeded at Vincennes by Edward W. Barrett of Indianapolis.

—William G. Staniland, who recently resigned the superintendency of the Buffalo district for the Metropolitan, has accepted the superintendency of agencies for the Metropolitan district.

—N. Lee Searcy of the North Cincinnati district of the Western and Southern Life has been promoted to be superintendent of the Canton (Ohio) district. R. L. Shickner has been appointed to succeed Mr. Searcy as assistant superintendent. A. Mordorf has also been promoted to an assistant superintendency.

—The following named agents of the Columbian National have been promoted to be assistant managers: N. Bates, North Adams; W. F. Ross, Dorchester, transferred to Quincy; W. C. Safford, Boston; William Brown, New York; J. Gagner, Providence; M. Knoller, New York. Assistant J. J. Macgowan of Yonkers was promoted to be manager of the Brockton district.

—Among the Prudential's recent appointments to the staff of assistants, are: W. H. Olive, Boston 4; S. V. Shelburne, Braddock; J. M. Shafer, Shamokin; M. M. Esterline, Mansfield; W. J. Hughes, Middletown; W. P. Collins, Syracuse; J. C. Seger, St. Louis 2; A. F. Williams, Jersey City 1; J. W. Downer, Camden 1; J. H. Turley, McKeesport; C. W. Vogel, Yonkers; M. Murphy, Chicago 4; C. M. Combs, Kansas City 2; S. R. Hall, Omaha.

—The Colonial Life has made the following appointments to assistantcies: George W. Claxton, Jersey City; Vincent Ciaramella, Philadelphia; Daniel P. Walsh, Bronx; John Schaller, Middletown. Other appointments and changes: Manager H. J. Whitaker of Reading transferred to Harlem, in the same capacity; J. W. Allbritton appointed manager at Easton; George R. Ferry appointed assistant manager at Atlantic City, and John B. Lang, assistant manager, Bergen branch, Jersey City.

—As a result of the contest between the Prudential's Springfield and Pittsfield districts, Superintendent Aggas, together with the following assistants and agents of Springfield, and Assistant E. B. Whitcomb of Pittsfield, paid a visit to the home office a short time ago: Assistants, F. F. Coughlin, G. C. Cameron, H. H. Messier and E. J. McDonald, and agents, E. Dostalaire, W. C. Naughton, J. T. Griffin, D. J. Meehan, J. F. Coughlin, H. P. Belmore, J. Brown and F. J. Sarr. After being shown through the different buildings, they were entertained at luncheon by the company. Second Vice-President Forrest F. Dryden addressed the

men, and informal talks were made by Division Manager Konow, Assistant Division Manager Olozaga, Superintendent Aggas and by all the others named. The staff declared unanimously that the trip had been an exceedingly pleasant and profitable one to them.

—The outing won by the Orange staff of the Prudential was recently enjoyed at Rockaway Beach, and was a very enjoyable occasion, some of the members being accompanied by their wives. From the home office were Supervisor George W. Gore, Division Manager Elphinstone and Assistant Manager Colehamer. The winners of prizes in the athletic events were: Assistant T. H. Carney, J. Cavanagh (clerk of the Bloomfield office), Assistant M. R. Everett, Assistant J. T. Davis, Agent C. Rikel and Agent Battiale.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

Early this fall work will be commenced on the four pumping stations to supply river water at fires in case of emergency. The buildings will be at West and Gansevoort streets and at South and Oliver streets, Manhattan, and at St. Edwards and Willoughby streets and Furman and Joralemon streets, Brooklyn.

One of our millionaire companies last Monday paid \$340,000 upon drafts for San Francisco losses, and we are informed that the payments during the past week have withdrawn large sums from the bank balances of companies. It is not surprising that an Associated Press telegram conveys the information from that city that the underwriters are paying at the rate of \$1,000,000 per day.

Fresh rumors have been started since last week concerning impending changes in the American management of English companies, or the withdrawal of two or more of these offices from American business. It is not a question of finance, but a reported discontent with American conditions, based upon the alarming reports issued by the Committee of Twenty. The comment of an English manager, with respect to these rumors, was that, when the reports were first issued, nobody paid much attention to them, but since the San Francisco disaster they are regarded differently; but as for himself, he could see no appropriateness in some companies trying to scare others while they gathered in a load of premiums for themselves.

The Exchange held a special meeting on the 20th and authorized the executive committee to execute a lease of the Mutual Life premises, now occupied at a slight advance in the rent. The terms were somewhat less than at first proposed by the landlord and, considering the expense of removal and rearrangement of office floors, it was deemed more economical to stand the increase than to change quarters. The New York Board and the National Board committees have approved the same terms for their organizations, so that the three bodies may be accommodated in close proximity on one floor. This is a happy outcome of a perplexing problem.

Now that the Board has settled upon a brand new committee to deal with the question of merging the working forces of the Board and Exchange, it is expected there will be a joint meeting of the Exchange and Board committees early next month, in order to make a move to carry out the resolutions adopted last spring by both organizations, contemplating some radical changes in methods in the interest of economy. The impression prevails that the salary lists need pruning, and that the number of clerks should be reduced.

The Valparaiso news was regarded as immensely interesting in the English offices, and all day Monday and Tuesday brokers and others were making inquiries of the losses sustained by the chief companies. The validity of the earthquake damage clauses was discussed, and the absence of direct information whetted the appetite for news. The yellow journal extras hawked about the street were filled with exaggerations that did not allay the curiosity to learn the facts. Not only the English, but several German, companies were doing business in the unfortunate city.

The papers sent out by the adjustment committee from the Board of the settlement of the loss on cotton in one of the American Dock

Company stores by fire of May 21, contained a rather interesting item, to the effect that the recent cotton fires in that location were undoubtedly of incendiary origin.

The salvage on cotton in warehouse No. 9 on Staten Island netted the companies \$56,041.47. The expense was \$11,744.21. The total insurance involved was \$189,915, for fourteen different accounts. The salvage was handled by the Underwriters Salvage Company for a commission, including auctioneers' fees of five per cent, and the net result is satisfactory.

Various propertyholders, merchants, householders and manufacturers are in receipt of a flattering offer from a Chicago broker, proposing to give them a policy in the London Lloyds which will guarantee their fire insurance policies. Forms are enclosed by which it would seem that the amount insured would not be payable until a judgment for loss had been obtained and returned unsatisfied by the sheriff. There may be a market for such guarantees in Chicago; certainly there is none in New York.

The fiber storage business got another twist a few days ago by a reported fire in jute bales in the Independent Stores, but, as these stores are rated by the Exchange on a fireproof basis, only a few companies were interested. A broker asked the counterman in an English office the going rates on cotton in an ordinary store. The reply was, "ten per cent this afternoon; but if there is a cotton fire to-night, the rate to-morrow will be twenty per cent."

M. O. Brown, secretary of the Westchester Fire, left for San Francisco last Friday.

Edward J. Casey, who has for many years been an underwriter on the Pacific Coast, has taken offices in the North River building, 95 William street, New York. The outlook is that he will be a keen competitor for surplus lines in this field.

The Aachen and Munich has leased the ninth floor of the Royal's new building at the corner of William street and Maiden lane. The company will take possession next May.

The Liverpool and London and Globe has filled the vacancy on its New York board of directors, created by the death of James E. Pulsford, by the election of Walter C. Hubbard, senior partner of the firm of Hubbard Bros. & Co., cotton merchants and brokers.

Another attachment against the Transatlantic Fire of Hamburg, for \$38,500 in favor of Thomas C. Watkins, was recently granted by Judge Dickey of Brooklyn on a claim for losses sustained in the San Francisco conflagration.

The firm of Du Four & Pinkney, 95 William street, has dissolved; C. N. Pinkney becoming a member of the John L. Dudley, Jr. Company, and Mr. Du Four continuing in business on his own account.

A wonderful record has been made in the United States by that staunch and reliable old British institution, the Liverpool and London and Globe Insurance Company of Liverpool, of which Henry W. Eaton of New York is resident manager. In every conflagration in which it has been involved, as well as in its normal business transactions, it has demonstrated its willingness and ability to meet its every obligation fully and promptly. Prior to July 20, last, the Liverpool and London and Globe had paid nearly \$2,500,000 on account of its San Francisco losses; and as its fire losses paid in the United States in the course of fifty-eight years, up to January 1, 1905, amounted to \$100,611,095, it is altogether probable that its United States loss payments have now exceeded \$105,000,000.

BOSTON AND VICINITY.

On the recommendation of the committee on brokers, the Boston Board of Fire Underwriters has voted to repeal the reciprocal rule relating to charges for brokers' certificates, which was adopted by the board at a meeting held July 10. The rule provided that certificates to brokers in cities outside Boston be issued at the same charge as to Boston brokers for certificates in those cities.

An amendment to the constitution was adopted providing for the appointment of assistant secretaries.

The Firemens Fund Insurance Corporation of San Francisco has been admitted to Massachusetts. This company is the successor to

the Firemans Fund Insurance Company, and will take over the business of the old company. Chas W. Kellogg is Eastern manager of the new company, and A. K. Simpson is assistant manager, the Eastern headquarters being in Boston.

As a special assignment the new rule relating to the granting of second-class certificates, making it unnecessary for brokers in the Metropolitan district outside the city of Boston, was postponed.

A letter was read from Secretary Goddard of the New England Insurance Exchange calling attention to the following rules in regard to the charges for permits:

1. Under the rules of this Exchange all charges for permits are annual charges, and where granted for less than a year short rates must be charged.

2. Charges for permits attached to term policies must be multiplied by the same factor as the rate is multiplied by to obtain the term rate.

Col. F. B. Carpenter, G. O. Russell and Arthur B. Gilmour have been elected to the tariff committee of the Boston Board of Fire Underwriters.

The Mayor of Fall River, Mass., has been in Boston the past week in conference with the New England Insurance Exchange relative to the recent advance in fire insurance rates, imposed under certain conditions relative to the improvement of the Fall River fire department, which, if observed and complied with, will mean a reduction of fifteen cents in the total advance of twenty cents.

The Boston Protective Department reports Boston premiums of fire companies for the first six months of the current year, in comparison with corresponding periods of previous years, respectively, as follows: 1906, \$2,146,063; 1905, \$2,050,887; 1904, \$1,939,783; 1903, \$2,061,577; 1902, \$1,779,570; 1901, \$1,675,883.

President Gray of the Boston Manufacturers Mutual Fire, in his July report, calls particular attention to the importance of seeing that sprinkler equipment is kept in order, citing an instance where two valves in a well-cared-for property had been found closed, which would have caused disastrous results had there been a fire.

NOTES FROM PHILADELPHIA.

It is said that Louis S. Amonson has nearly completed the organization of the National American Insurance Company, and that it will certainly be in the field some time early in the fall. The well-known ability of Mr. Amonson as an organizer makes this prediction seem all the more certain.

The board of directors of the Insurance Company of the State of Pennsylvania, at its meeting last week, did the expected thing when it advanced Secretary William H. Kilpatrick to the office of second vice-president. At the same time E. R. Dannels, secretary of the Union of Philadelphia, was elected secretary of the State of Pennsylvania also.

The report of the Fire Insurance Patrol of the losses during the first six months of 1906 shows a total of \$1,398,088, thus exceeding the same period of 1905 by \$682,800, and the loss for the whole of the year 1905 by nearly \$56,000. In the congested district the loss for the first six months of 1906 was \$408,012, as against \$193,402 for the same period of 1905, or more than double. The loss in the congested district for the year 1905 was \$388,846, and the loss during the first six months of 1906 also exceeds that figure by \$19,166.

The Trades League has decided to do nothing further regarding the proposed inquiry into the city's fire-fighting service until the return of Director of Public Safety Potter from his vacation, awaiting the cue from him as to a general plan of campaign against the "Insurance Trust." What underwriters sincerely hope is that these gentlemen will have an unbiased committee of experts go over the recommendations of the National Board, feeling sure that in such case the recommendations will be indorsed and the city forced to carry them out.

—Judge Graham, before whom Charles Hendry, San Francisco representative of the London and Lancashire, recently appeared on a citation directing him to show cause why he should not answer certain questions propounded by the Grand Jury, has decided that Hendry must answer all the questions or go to jail for contempt of court.

THE WEST.

Ohio Jottings.

[FROM OUR OWN CORRESPONDENT.]

At the quarterly meeting of the Ohio Fire Prevention Association at Columbus, a general discussion of conditions surrounding building and electrical installation in the cities and towns of the State took place. The opinion of the field men is that this is the greatest hazard in the State at the present time and they feel that there should be some way of improving matters. That they can not go on as they are is almost a foregone conclusion with the company representatives.

Only one remedy has suggested itself as being thoroughly practical, and that is to license electricians and electrical contractors, the same as plumbers. The reasons for licensing each is identical, the one to protect health from contamination of soil and water and the other to protect from fire.

At the recent annual meeting of the National Electrical Contractors Association, this matter was touched upon rather forcibly by the treasurer, John R. Galloway of Washington. He said that the cheap and ruinous competition of unprincipled contractors and curbstone merchants was taking all the profit from the business and that something would have to be done to check the evil. To do this he suggested that contractors be licensed and that the tests he made so rigid that they would cut out all who had made a practice of using material that would not stand the test and doing their work in a manner that endangered property.

Mayor Johnson of Cleveland has received a copy of the report of the National Board of Fire Underwriters on the fire department of his city, and it seems that the engineers found several things to criticize rather severely. The fire alarm system, it says, is not merely poor, but aggressively bad. It is dangerous, unreliable, improperly housed and inadequately manned. The force of operators and linemen is too small and the headquarters are poorly chosen, being surrounded with frame buildings. The board may be pleased to learn that something is being done toward securing a new system, however. The recommendations of the board are toward eliminating the objections mentioned. Regarding the fire fighting force, the report says that it is fairly efficient, but would be taxed to its utmost if fires were to occur in two different localities at the same time. The department is well organized, but is under only fair supervision. Too much time off is allowed during meal hours, which reduces the number of men below a safe limit. The chemical service is weak. The equipment is said to be fair, but too little time is spent in drilling to keep the efficiency of the department where it should be. Responses to alarms are good, as are the methods of handling small fires. It is recommended that promotions be made upon efficiency and that members be retired at sixty-two years of age, unless they are unusually efficient; also that at least seven men be kept on duty at each engine house near the congested district at all times, and five at all others. Several new engine, hose and ladder companies are recommended, and other recommendations are made.

On the conflagration hazard, the board says that the city contains many conflagration breeders, but that owing to the many wide streets, conditions are much better than in many other places. Recommendations are made that buildings that are dangerous in this respect be equipped with approved sprinklers, and that narrow streets be widened and windows properly protected.

O. M. C.

Cleveland, August 21.

—The Firemens Fund Insurance Corporation has been licensed in Missouri.

—The Louisville Fire has entered Wisconsin and has applied for admission to Michigan.

—The Guardian Fire of Pittsburg has entered Oklahoma, through the general agency of Billingsley & McConnell, Guthrie.

—E. S. Merrill, Illinois special agent of the Springfield Fire and Marine, has resigned as of September 1, to become special agent for the same State of the National Union Fire.

—Raising his demand upon an opinion rendered by the Attorney General of New Mexico, that a fee of \$50 for filing copy of charter or deed of settlement and examination thereof, provided for in the insurance law of that Territory, is intended to cover the examination of charter and is not included in the charge of \$50 for filing such papers, the Superintendent of Insurance for New Mexico is asking companies for the payment of an additional \$50 fee.

THE SOUTH.

—McClure, Kelly & Co. of Houston have been appointed Texas general agents of the Girard Fire and Marine.

—The Baltimore firm of J. H. Katzenberger & Sons will be continued by the deceased's sons under the old firm name.

—The Guardian Fire of Pittsburg has entered Mississippi and Louisiana. Godchaux, Shelby & Mioton of New Orleans have been appointed State agents.

—Thomas Wellford, senior member of the insurance firm of Thomas Wellford & Sons, Memphis, Tenn., died recently at his residence in that city after a protracted illness. Mr. Wellford was a prominent figure among local insurance and financial circles. He was president of the Peoples Savings Bank, vice-president of the Gayoso Oil Works and a director in the Chickasaw Cooperage Company.

—The Georgia Legislature has adjourned and the following insurance bills have become laws: An act fixing and regulating the manner in which contracts and policies of insurance, whether upon life or property, shall be issued in the

State. An act regulating the filing of the returns of all corporations chartered under the laws of Georgia and foreign corporations transacting business therein, and providing that the Secretary of State shall be ex-officio Corporation Commissioner, to whom such returns shall be made.

MISCELLANEOUS FIRE NEWS.

Earthquake and Conflagration in Chili.

Valparaiso and nearby towns and villages were badly devastated by a violent earthquake and conflagration on August 16 and 17. Nearly every building in Valparaiso has either been destroyed or very seriously damaged. The Almendral district, where the city's best residences were located, suffered most. The towns of Quillota, Viua del Mar, Quirihue, Salto Limache and other nearby villages are destroyed and many lives lost. It is estimated that the loss of life in Valparaiso will mount up to the thousands, and hundreds were killed in other places. Over 12,000 homeless persons are living in the parks and on the hills. The property loss is estimated at \$250,000,000, much of it being due to the fire immediately following the earthquake. In Santiago there were thirty deaths and a property loss estimated at over \$2,000,000.

The following are the domestic fire and marine insurance companies in Chili, as listed in The Insurance Year Book, 1906-07:

Name and Location of Company.	Year Founded.	Subscribed Capital. Pesos.	Paid-up Capital. Pesos.
Alemana, Santiago	1900	2,000,000	200,000
America, Valparaiso	1861	2,000,000	200,000
Central, Valparaiso	1900	2,000,000	200,000
Chilena, Valparaiso*	1853	2,000,000	200,000
Christoforo, Iquique	1892	1,000,000	100,000
Commercial, Valparaiso	1899	2,000,000	100,000
Espanola, Valparaiso	1898	2,000,000	100,000
Estrella de Chile, Santiago*	1894	2,000,000	100,000
Francesa, Santiago	1899	2,000,000	200,000
Iberia, Valparaiso	1900	2,000,000	250,000
Internacional, Valparaiso	1901	5,000,000	500,000
Italia, Valparaiso	1899	2,500,000	250,000
Mitua, Iquique	1894	1,250,000	64,480
Nacional, Valparaiso	1883	2,000,000	125,000
Nueva, Espana	1900	2,000,000	200,000
Pacifico, Valparaiso*	1886	3,000,000	300,000
Protectora, Valparaiso	1885	2,000,000	100,000
Salvadora, Santiago	1902	1,000,000	100,000
Salitrera, Iquique	1901	1,000,000	100,000
Union Chilena, Santiago	1858	2,000,000	200,000
Valparaiso, Valparaiso*	1882	2,000,000	200,000

* These companies have amalgamated under the company name of the Chilena Consolidada.

A bill affecting foreign fire insurance companies transacting business in Chili was passed by the National Congress, and went into effect in December last. The bill divides fire companies into first and second class; those with a capital of 500,000 pesos (\$182,500) and more belong to the former, and those with a capital of less than that sum to the latter. In estimating the capital of a company the reserve and accumulated funds will be considered as capital. Fire companies of the first class will be required to deposit 300,000 pesos (\$109,500) and those of the second class 200,000 pesos (\$73,000). Companies insuring against maritime and agricultural risks exclusively will be required to deposit 50,000 pesos (\$18,250). The deposits may be invested in unencumbered real estate in Chili, in currency or sterling, or in bonds of institutions accepted by the President of the Republic. The new law has aroused much interest among insurance men, and it is believed that it will force a number of companies now doing business in the country to retire.

The foreign fire companies operating in Chili at the end of 1903 were as follows: Aachen and Munich, Alliance, Atlas, Baloise, Commercial Union, Fire Insurance Company of 1877, Guardian, Hamburg-Bremen, Hausseatsche, Imperial, Lancashire, Law, Union and Crown, Liverpool and London and Globe, London and Lancashire, Magdeburg, Manchester, Prussian National, New Zealand, Norte Germanica, North British and Mercantile, Northern, Norwich Union, Palatine, Phoenix, Queen (Liverpool), Royal, Royal Exchange, Scottish Union and National, State, Suu, Transatlantic, Union. The State of Liverpool, Royal Exchange and London Assurance have closed their agencies in Valparaiso, and it is probable that most other foreign companies have done likewise since 1903. No estimate of the companies' losses, either individually or in the aggregate, can be learned, as yet, even approximately, as practically all of the companies issue policies containing strict earthquake clauses, and consequently would not be liable for a large percentage of the damages sustained.

Fire Insurance Laws, Taxes and Fees.

The sixth annual edition of The Fire Insurance Laws, Taxes and Fees will be published next week. This work has come to be an established book of reference among fire underwriters, in relation to the principal features of the laws governing fire insurance in the various States and Territories. It embraces, in readily available form, synopsis of and quotations from the statutes concerning more than thirty topics, the matter relating to each State being grouped together, with subjects alpha-

betically arranged; and the entire book is completely indexed; one of its most useful departments comprising a series of subject indexes, which greatly facilitate its use. Under the head of State Requirements the following data are given: Agents Defined; Agents' Licenses; Anti-Coin-surance; Anti-Compact; Annual Statements; Attorney; Cancellation of Policy; Capital Required; Deposit; Domestic Companies; Examinations; Fees; Fire Department Tax; Fire Marshal; Foreign Companies' Home Office Statements; Impairment; Investments Prescribed; Licensed Brokers; Limit on a Single Risk; Lloyds; Miscellaneous; Mutual Companies; Preliminary Documents; Publication; Reciprocal Law; Reinsur-ance; Reinsurance Reserve; Resident Agents; Semi-Annual Statements; Standard Policy; Taxes; Tax Statements; Valued Policy. County and municipal taxes and fees levied upon compauies and agents are also listed, and this information will be found serviceable in estimating the expense of operating in a given State or locality. Every fire insurance manager and field man should possess a copy of this valuable publication, which is in itself the equivalent of a large library of law books, and which has been fully revised following the adjournment of the legislatures of the respective States and Territories.

Fire Insurance Laws, Taxes and Fees is a book of 370 pages, hand-somely bound in law sheep, and it may be obtained at \$5 per copy (post-paid) from The Spectator Company, 135 William street, New York.

John L. Dudley, Jr., Company,

The John L. Dudley, Jr., Company of 45, 47 and 49 William street, New York, uow represent as United States general agents, the Law Fi-delity and General Insurance Corporation and the National Mercantile Insurance Association of London, Eng.; as Eastern general agents, the Des Moines Fire Insurance Compauy of Des Moines, Ia., and, as New York and New Jersey agents, the Ohio German Fire Insurance Company of Toledo. Surplus lines from any part of the United States are han-dled for brokers, and correspondence is solicited. The company also represent the Phoenix Preferred Accidcut Company of Detroit, as Eastern managers, and the Buffalo Life Insurance Company as managers for Greater New York, New Jersey and Long Island. C. N. Pinkney, for-merly of Du Four & Pinkney, has recently become a member of the John L. Dudley, Jr., Company.

The Stars Predict Large Fires to Come.

Wealth and Prosperity are the Keys to Happiness and Success.

"The Nation's Couuselor,"

PROF. GUSTAVE MEYER,
American Scientific Astrologer,

Hoboken, N. J., August 19, 1906.

TO THE EDITOR OF THE SPECTATOR.

Through the medium of your great journal, as an American astrologer, I have the honor to send you this prediction with my compliments, and wish to state that the "Starry Messengers" again indicate and impart to me the fact that more fires are scheduled to occur to the Hoboken steamship piers, or along our river frent, or to some vessel in our docks on or during August 19 and 20, September 1, 5, 6, 7 or 8, and November, either 14, 15, 16, 17 or 19; however, the most critical dates of all for fires to the Hoboken steamship piers or along our river front will be strongly in evidence on September 7 or 8, and approximately around the middle of this November.

I would suggest that it would be highly advisable for you to mention that fire patrol boats should be in readiness on the above dates to eoep with the emergency, and I have confidence that much loss of life and property can then be saved.

I might add that during the months of September and October the stars say that President Roosevelt, the Czar of Russia, and King of Spain will either be assassinated, or that some serious, fatal and peculiar calamity will befall them, and that some calamity will occur to our naval vessels, and the United States will have war with either the Fili-pinoes, Mexico or some foreign power, and ocean disasters will be un-usually large, causing a remarkable loss of life, and some of the greatest fires in history will sweep the country during the autumn months, and there will certainly be "Hell on earth with the lid off."

Trusting that much benefit will be derived through my advice, which I feel sure it will if same is seriously and carefully heeded, and that I may be wrong in my deductions together with what that means, with compliments, I remain,

Sincerely and fraternally yours,

GUSTAVE MEYER, Astrologer.

Fire Insurance Premiums in New York City.

The following table shows the returns made to the New York Board of Fire Underwriters of premiums received in New York city by companies during the first six months of 1906, in comparison with the figures of the corresponding periods of the five preceding years:

NAME OF COMPANY.	1906.	1905.	1904.	1903.	1902.	1901.
NEW YORK.	\$	\$	\$	\$	\$	\$
Assurance Co. of America.....	34,435	31,326	20,548	21,908	27,578	32,355
British-American.....	30,177	21,194	20,280	20,576	16,579	14,820
Caledonian-American.....	8,278	6,776	.....	.....	.....	10,760
City of New York.....	58,564	34,617	.....	.....	.....	.....
Colonial.....	40,923	43,300	40,566	37,516	39,431	46,513
Commercial Union.....	22,331	23,720	21,006	19,049	15,347	10,289
Commonwealth.....	46,321	25,699	33,895	33,736	31,627	26,403
Continental.....	294,981	249,691	272,746	293,358	226,093	244,676
Cosmopolitan.....	15,243	.....	.....	.....	.....	.....
Eagle Fire Co.....	42,470	20,936	.....	.....	42,760	.....
Empire City.....	32,706	26,937	19,656	7,461	7,136	7,275
German Alliance.....	51,931	48,551	49,141	53,679	40,493	52,353
German-American.....	580,086	471,375	467,957	452,342	363,575	339,583
Germania.....	154,145	149,430	155,464	122,022	105,687	106,163
Globe and Rutgers.....	106,846	102,490	125,994	86,024	44,712	31,083
Hamilton.....	8,518	11,527	.....	25,429	24,004	17,943
Hanover.....	199,705	310,824	290,137	407,749	232,951	186,213
Home.....	486,647	467,656	522,341	501,049	452,734	274,858
Indemnity.....	10,272	5,827	6,870	7,879	8,423	8,038
Lumber.....	7,033	496	.....	.....	.....	.....
Nassau.....	53,200	47,033	41,736	32,977	21,640	6,156
New York Fire.....	.....	40,138	33,557	29,640	24,618	10,526
Niagara.....	167,332	138,686	136,234	123,994	121,014	107,642
Northern.....	43,941	42,361	31,405	34,305	38,384	22,776
North Brit. & Mercantile.....	19,987	13,356	17,216	15,502	12,597	5,330
Pelican.....	28,688	44,487	22,591	18,798	11,799	6,743
North River.....	148,409	142,691	128,669	112,357	100,890	64,304
Pacific.....	26,721	33,375	20,062	15,341	.....	.....
Pelican.....	28,561	28,772	28,327	29,994	22,175	19,292
Peter Cooper.....	32,817	27,676	20,079	12,628	9,269	7,919
Phenix.....	173,659	173,774	170,881	130,632	123,682	111,281
Queen.....	86,322	69,554	68,850	67,492	60,163	65,459
Stuyvesant.....	31,004	34,344	21,981	22,003	20,791	18,846
United States.....	.....	39,590	23,952	36,544	31,006	36,960
Victoria.....	.....	1,840	12,711	16,422	14,517	8,190
Westchester.....	132,392	124,280	127,020	123,841	128,556	118,458
Williamsburgh City.....	135,258	98,885	90,208	74,607	45,054	32,783
Retired companies.....	.....	.....	23,528	241,809	224,129	272,904
Lloyds.	.....	757	10,815	10,081	.....	.....
Allied Underwriters.....	.....	10,749	10,408	10,392	11,289	10,690
American Lloyds.....	.....	.....	823	10,984	10,267	10,205
Associated Underwriters.....	.....	6,426	4,508	4,789	4,411	4,450
Great Western Lloyds.....	.....	40,071	36,202	33,883	37,538	36,955
Individual Underwriters.....	.....	24	24	.....	1,469	3,997
Isthmus Lloyds.....	.....	433	339	290	.....	.....
Lumber Underwriters.....	.....	3,010	2,151	2,107	3,600	13,379
Manufacturers Lloyds.....	.....	3,217	2,234	1,457	2,453	2,607
Merchants Fire Lloyds.....	.....	4,719	3,880	4,346	4,121	.....
National Underwriters.....	.....	1,389	1,032	528	.....	.....
N. Y. Ins. Association.....	.....	2,679	3,211	1,882	4,088	4,183
N. Y. and Boston Lloyds.....	.....	20,403	13,079	10,570	6,950	6,942
N. Y. Recip'l Underwriters.....	.....	13,758	14,594	13,391	12,580	11,437
North Am. Inter-Insurers.....	.....	3,589	.....	.....	.....	7,466
Union Underwriters.....	.....	.....	.....	2,050	23,572	15,820
Retired Lloyds.....	.....	.....	.....	.....	.....	10,127
NEW YORK STATE.	.....	.....	.....	.....	.....	.....
Agricultural, Watertown.....	83,466	69,165	71,733	72,739	72,807	69,804
Albany, Albany.....	22,053	17,786	20,253	13,426	10,837	8,399
Buffalo Commercial.....	14,482	14,392	10,405	9,647	9,145	6,638
Buffalo German, Buffalo.....	23,114	22,202	17,424	11,004	11,882	8,798
Commerce, Albany.....	11,567	11,920	10,685	11,192	10,365	6,318
Dutchess, Poughkeepsie.....	4,275	18,277	18,496	19,154	17,458	16,373
Glens Falls, Glens Falls.....	32,640	21,049	12,734	12,195	13,650	10,400
National Lumber, Buffalo.....	3,252	.....	.....	.....	.....	.....
Rochester German, Roch'r.....	18,571	16,340	9,854	16,783	15,241	11,681
Union, Buffalo.....	5,965	5,113	.....	.....	.....	.....
Retired companies.....	.....	.....	.....	.....	1,495	8,775
ALABAMA.	.....	.....	.....	.....	.....	.....
Atlanta Birmingham, Bir'g'm.....	13,583	19,281	.....	.....	.....	.....
CALIFORNIA.	.....	.....	.....	.....	.....	.....
Firemans Fund, San Fran.....	64,975	98,737	92,350	90,978	91,659	81,803
Home F. and M., San Fran.....	5,478	14,523	12,946	14,579	13,487	12,049
CONNECTICUT.	.....	.....	.....	.....	.....	.....
Aetna, Hartford.....	199,236	162,193	158,816	171,757	142,742	126,286
Connecticut, Hartford.....	49,583	47,317	46,973	47,469	48,217	44,241
Hartford, Hartford.....	259,415	281,518	313,976	199,422	196,357	174,427
National, Hartford.....	133,142	121,362	133,816	131,657	130,625	110,728
Orient, Hartford.....	38,232	33,773	35,779	34,858	31,845	34,311
Phoenix, Hartford.....	130,785	103,450	105,297	96,878	72,900	60,748
Security, New Haven.....	33,450	32,189	29,017	31,114	32,839	33,217
DELAWARE.	.....	.....	.....	.....	.....	.....
Delaware, Dover.....	39,627	.....	.....	.....	.....	.....
Retired companies.....	.....	.....	.....	.....	1,277	391
DISTRICT OF COLUMBIA.	.....	.....	.....	.....	.....	.....
Retired companies.....	.....	11,478	9,626	29,350	13,640	15,919
GEORGIA.	.....	.....	.....	.....	.....	.....
Georgia Home.....	26,232	32,790	36,878	32,296	.....	.....
ILLINOIS.	.....	.....	.....	.....	.....	.....
Calumet, Chicago.....	11,726	4,881	.....	.....	.....	.....
German, Peoria.....	16,242	14,355	15,680	15,305	.....	.....
German, Freeport.....	54,043	45,800	44,593	39,604	37,681	37,541
German National.....	15,200	13,492	8,914	.....	.....	.....
Metropolitan, Chicago.....	11,482	.....	.....	.....	.....	.....
Retired company.....	.....	36,014	36,880	31,871	32,184	27,884

FIRE INSURANCE PREMIUMS IN NEW YORK CITY—Continued.

NAME OF COMPANY.	1906.	1905.	1904.	1903.	1902.	1901.
	\$	\$	\$	\$	\$	\$
INDIANA.						
Indianapolis.....	18,769	19,226	11,430	12,304	11,879	7,631
IOWA.						
Dubuque F. & M., Dubuque.	6,390	.....	.....	.....	.....	.....
KENTUCKY.						
Star, Louisville.....	40,642	40,542	13,293	.....	.....	.....
LOUISIANA.						
Mechanics and Traders.....	14,188	15,459	13,321	12,864	9,322	9,470
Teutonia, New Orleans.....	9,973	18,751	18,472	20,135	20,356	20,560
MARYLAND.						
German-American, Balto....	15,328	11,831	4,688	12,402	12,985	8,624
Retired companies.....	.....	2,764	9,853	53,671	53,928	53,682
MASSACHUSETTS.						
Boston, Boston.....	84,689	78,359	66,383	57,604	58,095	55,393
Mercantile, Boston.....	17,206	22,883	25,215	23,017	32,162	28,099
Springfield F.&M.,Springf'd	103,877	103,362	100,045	98,328	97,470	91,657
Retired companies.....	.....	18,713	14,943	19,737	37,969	25,997
MICHIGAN.						
Detroit, Detroit.....	27,253	19,658	21,852	22,947	20,484	20,025
Michigan, Detroit.....	13,398	12,430	8,998	9,720	10,768	9,835
Michigan Com'l, Lansing....	43,912	.....	.....	.....	.....	.....
Retired companies.....	.....	.....	.....	.....	.....	9,210
MINNESOTA.						
St. Paul F. and M., St. Paul..	56,310	46,269	45,030	40,739	38,442	31,670
MISSOURI.						
American Central, St. Louis..	91,873	70,041	75,061	63,650	60,810	43,708
Citizens, St. Louis.....	23,949	53,488	55,963	37,008	32,114	25,468
NEW HAMPSHIRE.						
Capital, Concord.....	16,481	15,727	15,091	15,879	14,433	11,668
Granite State, Portsmouth....	21,908	14,516	5,972	6,622	7,270	.....
N. Hampshire, Manchester...	43,161	30,922	64,879	42,831	58,931	23,476
NEW JERSEY.						
American, Newark.....	72,360	66,733	67,669	45,002	34,241	32,291
Camden.....	35,078	35,124	30,314	27,472	28,037	.....
Eastern, Atlantic City.....	12,791	5,467	.....	.....	.....	.....
Firemans, Newark.....	100,739	70,709	61,647	52,104	47,773	41,860
Newark, Newark.....	19,040	20,840	19,144	17,898	15,888	20,118
New Brunswick.....	24,509	.....	.....	.....	.....	.....
New Jersey, Camden.....	27,520	.....	.....	.....	.....	.....
Standard, Trenton.....	10,338	5,236	.....	.....	.....	.....
Retired companies.....	.....	.....	.....	.....	13,642	22,212
OHIO.						
Western Reserve, Cleveland..	22,020	.....	.....	.....	.....	.....
PENNSYLVANIA.						
Allemania, Pittsburg.....	32,746	29,620	28,062	26,692	21,859	17,098
Alliance, Philadelphia.....	13,837	15,290	.....	.....	.....	.....
Ben Franklin, Allegheny....	15,129	24,934	.....	.....	.....	.....
Delaware, Philadelphia.....	24,077	20,763	19,487	23,292	26,270	25,768
Farmers, York.....	9,634	8,842	7,411	6,482	4,395	10,022
Fire Association, Phila.....	108,260	112,913	119,296	118,416	75,937	81,039
Fire Ins. Co., Co. Phil., Pa..	24,584	17,522	17,316	17,825	17,253	14,747
Franklin, Philadelphia.....	22,756	13,178	12,556	13,861	13,972	12,995
German, Pittsburg.....	24,328	19,192	15,739	13,154	16,663	13,170
Girard F. and M., Phila.....	38,403	33,989	36,849	16,070	17,715	16,243
Humboldt, Allegheny.....	11,782	11,213	.....	.....	.....	.....
Ins. Co. of N. Am., Phila....	94,105	93,510	92,941	109,426	104,678	104,821
Ins. Co. of St. of Pa., Phila..	.....	20,079	27,066	.....	.....	19,663
Jefferson, Philadelphia.....	34,616	.....	.....	.....	.....	.....
Lumbermens, Philadelphia....	30,663	23,744	23,270	19,829	21,870	20,089
Mechanics, Philadelphia.....	26,215	26,139	25,492	27,324	28,296	22,761
National, Allegheny.....	18,121	9,978	7,868	.....	.....	.....
National Union, Pittsburg...	27,739	35,350	38,188	25,036	20,117	.....
Pennsylvania, Philadelphia...	109,812	124,842	124,021	122,289	126,641	117,269
Reliance, Philadelphia.....	36,320	38,173	39,133	37,016	40,155	34,738
Spring Garden, Philadelphia..	46,655	39,520	25,477	34,540	27,000	22,697
Teutonia Fire, Allegheny....	19,804	.....	.....	.....	.....	.....
Union, Philadelphia.....	31,300	26,018	24,471	24,704	27,944	25,050
United Firemens, Phila.....	28,937	32,265	31,692	31,341	34,549	31,956
Western, Pittsburg.....	11,040	14,219	13,369	12,756	13,007	8,749
Retired companies.....	.....	33,980	26,772	30,973	57,019	55,880
RHODE ISLAND.						
Equitable, Providence.....	25,653	22,072	21,031	29,099	25,238	13,807
Prov. Washington, Prov.....	68,161	73,301	73,823	67,284	64,314	53,323
VIRGINIA.						
Virginia F.&M., Richmond...	29,185	22,758	20,833	24,836	24,911	13,399
Virginia State, Richmond....	18,817	18,075	12,009	11,290	9,352	7,689
WEST VIRGINIA.						
German, Wheeling.....	15,272	.....	.....	.....	.....	.....
WISCONSIN.						
Concordia, Milwaukee.....	26,717	23,719	25,438	24,319	21,199	18,622
Milwaukee Fire.....	10,541	12,481	6,863	9,330	9,281	6,668
Milwaukee Mechs., Mil.....	19,419	17,384	11,492	13,669	17,578	15,538
Northwestern National, Mil..	16,502	12,742	13,347	9,858	.....	.....
CANADA.						
British America, Toronto....	92,794	70,703	61,915	56,381	41,478	52,079
Western Assurance, Toronto..	126,768	106,401	109,271	103,497	88,093	76,386
GERMANY.						
Aachen&Mun.,Aix-la-Chap.	49,431	47,637	41,532	33,769	25,434	17,254
Hamburg-Bremen, Hamburg...	131,478	121,947	127,886	53,228	46,247	41,108
Prussian National, Stettin....	37,831	34,257	26,709	21,014	14,673	12,658
Transatlantic, Hamburg.....	22,758	22,615	10,915	8,828	15,364	11,385
Retired companies.....	.....	.....	10,933	27,063	18,646	40,576

FIRE INSURANCE PREMIUMS IN NEW YORK CITY—Continued.

NAME OF COMPANY.	1906.	1905.	1904.	1903.	1902.	1901.
GREAT BRITAIN.	\$	\$	\$	\$	\$	\$
Alliance, London.....	37,980	31,584	22,362	20,569	18,594	11,990
Atlas, London.....	54,812	59,436	40,155	63,934	62,012	41,100
Caledonian, Edinburgh.....	97,972	97,255	97,050	89,380	96,034	54,727
Commercial Union, London.....	166,696	139,807	167,870	119,707	113,744	112,275
Law Union & Crown, London.....	29,447	27,122	30,369	38,401	33,287	25,689
Liv. & Lon. & Globe, Liv'p'l.....	543,993	499,649	575,041	441,832	370,908	354,128
London Assur. Corp., Lon.....	114,170	108,525	116,136	101,189	89,963	96,601
London & Lancashire, Liv.....	134,956	126,620	146,118	129,891	127,860	146,875
N. Brit. & Mercantile, Lon.....	286,332	270,886	298,434	281,167	283,629	200,418
Northern, London.....	104,295	102,067	99,689	102,100	86,359	65,856
Norwich Union, Norwich.....	82,556	79,061	84,585	88,160	77,385	72,749
Palatine, London.....	52,314	54,320	55,037	57,554	58,390	60,118
Phoenix, London.....	147,367	150,964	128,353	167,766	136,519	169,666
Royal, Liverpool.....	284,353	259,850	319,535	302,523	240,113	260,614
Royal Exchange, London.....	70,496	61,191	197,214	118,370	37,019	26,038
Scot. Union & Nat., Edinb'gh.....	170,233	117,608	162,244	160,733	183,881	223,699
Sun, London.....	164,369	159,712	142,811	116,411	109,116	108,755
Union, London.....	81,286	91,679	86,596	111,841	94,304	86,530
Retired companies.....	.....	.....	45,942	53,627	100,685	192,227
HOLLAND.						
Retired company.....	.....	17,878	19,322	20,350	19,817	14,019
RUSSIA.						
Salamandra.....	37,234	19,493	17,528	60,252	9,276	27,326
SWITZERLAND.						
Retired companies.....	.....	.....	.....	.....	.....	45,105
SWEDEN.						
Svea, Gothenburg.....	25,289	20,042	18,848	19,104	20,341	20,183
Local companies.....	3,533,838	3,343,473	3,173,101	3,361,084	2,768,165	2,453,222
Other companies.....	6,420,389	5,907,862	6,204,224	5,694,569	5,211,713	4,975,121
Totals.....	9,904,227	9,251,335	9,377,325	9,055,653	7,979,878	7,428,343

Fire Insurance Law Chart.

The 1906 edition of The Fire Insurance Law Chart has been issued and is a very handy and serviceable guide to fire underwriters. In it, a great deal of useful legal information is condensed into a small space and is presented in quickly accessible form. Among the subjects concerning which facts are given for each State and Territory are: Standard Policy Law; Valued Policy Law; Resident Agents' Law; Anti-Coinurance Law; Anti-Compact Law; Laws Prohibiting Reinsurance in Unauthorized Companies; Annual Statement Required (final date); Tax Statement Required (final date); Date of Expiration of Local Agents' Licenses; Fees, etc., for Issuing Local Agents' Licenses; Charges for Filing Annual Statement; Taxes Payable by Company. The first six topics are covered by a simple "yes" (in red) or "no" (in black), and variations are explained by foot notes. Requirements as to deposits, home office statements, etc., are also given. The Fire Insurance Law Chart is printed on bond paper, metal tipped at top and bottom, and provided with a hanger so that it may be readily suspended against a wall or partition. Price, \$1 per copy, postpaid. Address The Spectator Company, 135 William street, New York.

VARIOUS ITEMS.

- The United Firemen has decided to withdraw from California.
- Four shares of the National Fire of Hartford recently sold at auction for \$276 per share; par value \$100.
- William H. Kilpatrick, formerly secretary of the Insurance Company of the State of Pennsylvania, has been elected second vice-president of that company.
- The Washington Supreme Court recently held that a local agent who is authorized to solicit insurance for a foreign company, is a proper and competent person on whom to serve papers in legal process.
- The Fire Underwriters Association of Providence has adopted a rule requiring a deposit of \$100 from members, as a guarantee of good faith in the observance of the rules and regulations of the association.
- It is reported that Gutte & Frank, general agents of the Fire Association in San Francisco, have given notice of the termination of their contract. The firm have under consideration plans for the organization of a new fire company.
- From September 1, the New Jersey agents of the Ohio German Fire of Toledo will report direct to the home office of the company. The field work will be supervised by J. D. Bremer, the company's State agent for Pennsylvania.
- Starkweather & Shepley of Providence and New York have been appointed United States attorneys for the Sovereign Fire of Canada. H. S. Wilson, general manager of the latter company, has sailed for Europe, to be gone about six weeks.
- James Wyper, secretary of the Orient of Hartford, has been appointed Pacific Coast manager for the Orient and the London and Lancashire, succeeding William Macdonald and D. E. Miles. Henry W. Gray, Jr., has been ap-

pointed to succeed Mr. Wyper as secretary of the Orient and agency secretary of the London and Lancashire.

—The Rhine and Moselle has begun payment of reinsurance claims on losses sustained in the San Francisco conflagration, and it is possible that the company may modify its position in denying liability under the earthquake clause in its policies.

—The first of the insurance cases involving the earthquake clause was recently called for trial before Justice Hebbard. The case is that of the Rosenthal Shoe Company vs. Williamsburgh City Fire. The case was set for August 27, when it will come before a jury.

—A large number of policyholders of the Firemans Fund recently gathered at Oakland, Cal., voted their entire confidence in the honesty of that company by agreeing to wait at least two weeks longer before any one of them would begin an action in court against the Firemans Fund.

—Many merchants and propertyowners in Oakland, Cal., are in receipt of notices from companies that fifty per cent advance in premiums will be required on certain buildings, and a general increase of not less than twenty-five per cent throughout the central business district.

—The Milwaukee Mechanics, through its special attorney, T. W. Spence, has made an offer to settle its San Francisco loss claims at 70 cents on the dollar, or it will pay 50 cents now to policyholders who are inclined to wait for final distribution of the available assets for the remainder, which will be pro rated.

—The Firemans Fund and the Home Fire and Marine have proposed to pay all policies of \$1000 or under, for which they are liable for losses sustained in the San Francisco conflagration, and to pay larger creditors fifty per cent in cash and fifty per cent in stock in the Firemans Fund Insurance Corporation.

—"A Trip to Alaska and the Klondike in the Summer of 1905," is the title of a book of 115 pages in which N. E. Keeler, of the Cincinnati general agency firm of Keeler & Gallagher, has recorded some of the most interesting of his reminiscences of the trip indicated. It is an exceedingly entertaining narrative of his pleasures and experiences in a little-known territory, Mr. Keeler having the faculty of closely observing and analyzing men and events, and also a talent for presenting his observations in a very attractive and readable form. His friends should be greatly pleased that he has made it possible to preserve the story of his journey in their libraries.

Casualty, Surety and Miscellaneous

The Keystone Bonding Company.

The Keystone Bonding Company of Philadelphia is now ready for business and has opened offices in the Land Title building, Broad and Chestnut streets, for its headquarters.

The officers and directors are as follows: Paul V. Connolly, president; Joseph M. Smith, first vice-president; E. Lawrence Fell, second vice-president; Gabriel P. Callahan, treasurer; Willing Spencer, secretary; Charles H. Hutchinson, assistant secretary; Simpson & Brown, counsel.

Directors—Edward F. Bennis, Paul V. Connolly, W. L. D'Olier, E. Lawrence Fell, Thomas B. Harper, Paul Jones, Walter H. Lippincott, Calvin Z. Lynch, D. H. Macfarland, Wm. H. McCormick, A. Raymond Raff, Charles G. Rapp, Sterling L. Rhoades, Wm. J. Rourke, Joseph M. Smith, Alfred V. D. Watterson, Robert F. Whitmer, Charles H. Wolf, Michael J. Dady, Charles T. Young.

The company has an authorized capital of \$500,000 and an agreed surplus of \$250,000. It will engage in the surety business exclusively and will not write burglary or casualty lines, nor receive deposits or execute trusts. Joseph G. Richmond & Co. have been appointed general agents for the city of Philadelphia. Contemporaneously with the opening of its home office the company began business in its New York office which is located at 3 Park Row. George Frank Sweeney is general agent for the State of New York.

Success Pointers.

The man who would achieve success in these days of keen competition must be industrious, ambitious, sincere and a master in his particular line. There is but one thing more necessary in the achievement of success, should you possess these qualifications. Make the thing you are doing the greatest object in the world. The solicitor is a benefactor of mankind; next to the preacher of the gospel, he does more good than any other man in the world. The most essential requisites to insure success are: Understand your company, its history, achievements and progress; be impressed with its conservatism and its liberality; get acquainted with its officers, as it will strengthen your confidence. Above all, know the man at the helm. If you have not the opportunity to meet him, try to learn all about him by inquiry, his solicitude for your success, his effort to have the company forge ahead and retain the high standing it has among the leading companies. Become educated along

these lines. The knowledge will be an inspiration to you and will fill one with such enthusiasm that success is already half won. Understand your contracts, their adaptability to the circumstances and financial condition of your prospects. If in competition, know the particular points in which your contract equals or excels that of your competitor. Be impressed with the fact, that the material you are selling is in universal demand, as safe and as well secured as a government bond. Understand your man, learn as much as possible about his financial standing and the easiest way to approach him. Be observant, as experience along this particular line will make you a student of human nature, a knowledge of which is certainly indispensable to success. Everlasting persistency in accident insurance is the principal problem and is no easy nut to crack. We very often hear one say that he can not be injured in his certain vocation or profession. A list of accident claims recently published is sufficient commentary on this. For instance, what chemist would expect to be injured by falling down an embankment? A grocer was bitten by a dog, and an auctioneer, instead of knocking himself down with his hammer was bitten by a horse. A coal merchant fell while dancing and a tailor slipped on an orange peel; one clerk was hurt while acting in charades, and another was run over by a van, and a poor draper stung by bees; a solicitor was shot in the eye, and a surveyor cut his toe.

Surety Company Must Pay.

The Kentucky Court of Appeals has rendered a decision affirming the verdict of the lower court in a suit instituted by the Western Bank of Louisville to recover on a surety bond covering one Draudt who proved a defaulter. A syllabus in the appellate court's opinion in the case is as follows:

In this action upon a contract of insurance by which the appellant guaranteed the honesty and fidelity of Draudt, an employee of appellee, it appears that at the time of the insurance Draudt was a defaulter, but that this fact was unknown to the bank who had had an expert to go over his accounts with a view of applying for the insurance, which expert reported the employee's accounts in good condition. The examiner was imposed upon by the employee, but he believed the accounts were correct and the bank too believed them when it made the representations as to their correctness when the insurance was applied for. The provisions of section 639 Kentucky statutes and those of the bond of appellee are substantially the same in meaning.

In such a case the insurer is entitled to truthful answers by the applicant for indemnity, but this does not imply that the answers must be true. If the employer believes when he makes the statements that they are true he has done all that is required of him.

The instructions correctly stated the law of this case, the requirements imposed upon appellee in the policy were substantially complied with, there appears to be no error in the record, and the verdict of the jury against appellant will not be disturbed.

Casualty Notes.

—A proposition may be submitted in the near future to the membership of the New York Casualty to reinsure in the National Casualty of Detroit.

—The London Guarantee and Accident has added Washington and Idaho to the territory previously supervised by the general agency firm of Fred L. Gray & Co. of Minneapolis.

—The Casualty Company of America has appointed Leslie H. Webb of Cleveland its general agent for Ohio. The heretofore independent agency of S. M. Ferris at Cincinnati will hereafter report to Cleveland.

—Louis Meyers has been appointed manager for the personal accident and health business of the Philadelphia Casualty's new Metropolitan district office at New York city. Mr. Meyers comes from the head office in Philadelphia.

—The proposition of the Casualty Company of America to have all the large modern office and mercantile buildings specifically rated, was taken up for consideration at a recent meeting of the Plate Glass Underwriters Association. The matter was left in the hands of a committee.

—Insurance Commissioner O'Brien of Minnesota has revoked the license of the Minnesota Mutual Casualty, and has requested Attorney-General Young to bring dissolution proceedings for the protection of its policyholders. Against the \$5000 cash reserve required by law, a recent examination disclosed the fact that the company could show only \$652.

—The Great Eastern Casualty has just issued for the use of its agents a new manual of instructions and classification of risks. It is a very complete and comprehensive work, the classifications comprising several hundred more than any other manual and represents the work of one entire year. The uniform manual adopted by the International Association of Accident Underwriters formed the basis of the work, the additional classifications having been the result of personal inspection by

representatives of the company. Agents of the Great Eastern now have a practical up-to-date manual with which to work.

—The Physicians Defense Company which offers to contract with physicians for the defense of law suits for malpractice, but does not agree to pay an indemnity in case of an adverse verdict, is not an insurance company within the meaning of the law of Minnesota. Judge Kelly of the St. Paul district court in the case of the Physicians Defense Company vs. Insurance Commissioner O'Brien decided that the plaintiff company was a corporation organized to practice law.

Surety Notes.

—The National Surety has applied for admission to Delaware, Georgia, Louisiana and South Dakota.

—The head office of the Peoples Surety, which has been in Brooklyn since the organization of the company, has been transferred to the New York offices at 76 William street, New York. The Brooklyn office will be used as a branch.

—George G. Brown, formerly manager of the Central Western department of the United Surety, has been appointed general manager of the company, with complete charge of its office and field force. As O. M. Brown contemplates resigning his office as president of the United to become its general counsel, Mr. Bryan is slated to succeed him.

—The third gathering of general agents of the National Surety took place a few days ago in New York. The meeting opened with an appropriate address by President Joyce, who was followed by Vice-President Griffin, Secretary Shriver and Assistant Secretary Armstrong. Two business sessions were held, one in the forenoon and the other in the afternoon. The company's officers and their guests spent the evening in a sail down the bay and in visiting the sights of Coney Island.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Atlas Assurance Company, Ltd., London, England.

As of December 31, 1905, this company's balance sheet showed assets aggregating £3,352,157, with liabilities as follows: Capital paid in, £264,000; reserve fund, £57,169; fire fund, £820,396; profit and loss, £23,000; outstanding fire losses, £110,409; due for reinsurance, £113,810; life insurance funds, £1,880,403; leasehold assurance fund, £41,873; sundry liabilities, £31,097. Its net fire premiums in 1905 were £983,558, with losses of £454,075, and expenses aggregating £360,178. The reserve for unexpired fire risks was calculated at £393,423, and the additional fire reserve was £426,973.

Church and Dwelling House Underwriters.

Policies issued under the above title in certain sections of the country are guaranteed by the Union Insurance Company of Philadelphia.

Commercial Fire Insurance Company, Little Rock, Ark.

This is a mutual company, which, having filed a bond for \$25,000 with the State Insurance Department, is permitted to write non-assessable policies. President C. P. Harnwell is a local attorney. Vice-President O. C. Ludwig, who is Secretary of State of Arkansas, is also president of the Home Mutual Fire Insurance Company of Little Rock. Secretary E. L. McHaney is corporation clerk in the office of Secretary of State, and is also believed to be connected with the Home Mutual Fire Insurance Company. Treasurer W. M. Kavanaugh is president of the Southern Trust Company. In its first month of business the Commercial Fire is understood to have written about \$6000 in premiums.

Consolidated Fire and Marine Insurance Company, Albert Lea, Minn.

This company is selling its additional capital stock and by the end of the year will have \$200,000 capital and \$75,000 net surplus.

Dixie Fire Insurance Company, Greensboro, N. C.

This company commenced writing business August 15 with the following-named officers: J. B. Blades, president; W. S. Thompson, Ashley Horne, George Hackney, vice-presidents; J. F. Cobb, secretary, and C. D. Benbow, treasurer. Its authorized capital is \$500,000, and its surplus \$250,000.

German Fire Insurance Company, Pittsburg.

Semi-annual statement, July 1, 1906: Assets, \$823,555; reinsurance reserve, \$438,851; net surplus, \$141,485.

Home Insurance Company, Phoenix, Arizona.

The officers of this company are: President, Alexander Buck; vice-president, J. N. Lucas; secretary and treasurer, W. C. Hughes. Mr. Buck is a local attorney, and the other officers are understood to have previously been located in Chicago.

Secretary W. C. Hughes advises us that the J. N. Lucas connected with the company is not the Lucas who was formerly identified with the American Fire Underwriters of Chicago; also, that statement of the company will be sent us later.

The Secretary of the Territory of Arizona writes that the Home Insurance Company seems to have complied with the laws of the Territory. Paragraph 791, Revised Statutes, 1901, provides for the filing in the office of the Secretary of a certificate setting forth the amount of the fixed capital and the amount thereof paid up. This, the Secretary states, has not been done; but the company has filed a certificate with the Territorial Auditor, stating that it has a paid-up capital of \$100,000 and a surplus of \$50,000, the certificate being signed by Alexander Buck, as president, and J. N. Lucas and W. C. Hughes, as directors, attested by George D. Richey, a notary public of Chicago, Cook county, Ill. Inasmuch as Act 29, Session Laws, 1903, provides that all articles of incorporation, and business in connection therewith, shall be filed in the office of the Territorial Auditor and not in the office of the Secretary of Arizona, the action above referred to is construed as complying with the law. The Secretary has no jurisdiction over domestic insurance corporations, and consequently has not granted a license to this company. We are advised that no statement showing the nature of the company's assets has been filed in any department of the Territory.

Implement and Vehicle Manufacturers Mutual Insurance Company, Indianapolis, Ind.

E. E. Perry has organized the Implement and Vehicle Manufacturers Mutual, which was expected to begin business about August 10.

Merchants Fire Association of America, Whiting, Ind. (formerly at La Porte, Ind.)

Control of this company passed to E. L. Cuderbeck & Co. a few months ago. They intended to reorganize the company. It is understood that the firm named is soliciting surplus line business for the company. Under date of August 13, 1906, State Auditor Warren Bigler of Indiana wrote us that "the Merchants Fire Association of America of Whiting, Ind., does not report to this office. I know nothing about the company, except that I have heard of it the last week several times."

National Union Society, Ltd., Bedford, England.

It is announced that the London and Lancashire Fire of Liverpool has absorbed the National Union of Bedford and its subsidiary companies, the West Riding and Property Insurance Companies.

Ohio German Fire Insurance Company, Toledo.

Semi-annual statement, July 1, 1906: Assets, \$589,632; net surplus, \$45,035.

Prudential Fire Insurance Company, Tazewell, Va.

Semi-annual statement, July 1, 1906: Assets, \$518,941; net surplus, \$88,084.

Reliable Insurance Company, Tulsa, I. T., and Oklahoma, City, Okla.

This company began business in October, 1905, writing fire and tornado insurance in Oklahoma. It claims a subscribed capital of \$25,000, with \$15,000 paid in. Arthur H. Geissler is president, W. H. Sweatt is secretary, and Myron Boyle is treasurer. Its business appears to be transacted from Oklahoma City.

La Salamandre Fire Insurance Company, Havre, France.

ASSETS, DECEMBER 31, 1905.

	Francs.
Stockholders' notes	1,500,000
Mortgage loans	525,595
Furniture and fixtures	4,895
Sundry debtors	60
Cash	6,810
Due from reinsurance companies.....	818,161
Agents' balances	67,442
Commissions due from foreign companies.....	3,000
Total	Fr.2,925,963

LIABILITIES, DECEMBER 31, 1905.

Capital	2,000,000
Unpaid dividends and interest.....	5,234
Revenue policy stamps.....	9,042
Sundry creditors	103,169
Due reinsurance companies.....	75,702
Reserve for unpaid losses.....	168,424
Balance of profit and loss account.....	564,401
Total	Fr.2,925,963

Scottish Union and National Insurance Company, Edinburgh, Scotland.

This company's balance sheet dated December 31, 1905, shows assets amounting to £5,631,982, with liabilities as follows: Capital, £300,000; fire premium reserve, £300,000; general reserve, £300,000; investment contingency account, £25,000; provision for dividend payable in 1906, £52,500; profit and loss account balance forward, £105,119; life assurance fund, £4,243,184; annuity fund, £130,561; general account, £22,995; outstanding claims, life, £71,188, fire, £60,636; other liabilities, £20,798.

Seattle Fire and Marine Insurance Company, Seattle, Wash.

This company is undergoing process of reorganization. When the capital and surplus are paid in, the company will enter California under the general agency of Clarence De Veuve.

Southwestern Fire Insurance Company, Little Rock, Ark.

The bond for \$25,000 filed by this company is understood to have been issued by the Federal Union Surety Company. President M. H. Jodd is a contractor and brick manufacturer in Hot Springs, a member of the firm of Jodd & Lotz. Vice-President Dan W. Jones is an attorney, and was at one time Governor of Arkansas.

Southern Home Insurance Company, Bartow, Fla.

This company, although privileged to transact all classes of insurance, will confine itself to fire insurance at first, and expects to begin operations in the fall in the Southern States. It anticipates having \$250,000 capital, and reported having \$85,000 subscribed about August 1. The officers are: President, T. A. Goode; vice-president, J. G. Boyd; secretary, J. W. Sample; treasurer, E. L. Wirt.

Union Assurance Society, London, England.

Home office statement, December 31, 1905, shows assets (exclusive of life department) aggregating £1,111,220, against which were capital, £180,000 (paid-up); general reserve fund, £400,000; general investment reserve fund, £10,015; reserve for unexpired fire risks, £278,105; balance of accident account, £1353; outstanding losses and other liabilities, £112,002; balance, profit and loss account, £129,745.

TOO LATE FOR CLASSIFICATION.

—The special committee to re-codify the Massachusetts insurance laws is of the opinion that surety companies should be prohibited from assuming, on a single bond, greater liability than the amount of the capital and net surplus.

—The international policyholders committee, by the medium of a letter to Superintendent of Insurance Otto Kelsey, accuses the New York Life of attempting to secure proxies in advance of the legal date, October 18. It also believes that the former secretary, Seymour Eaton, is in close conference with the officials of the New York Life. A meeting of the committee will probably be held about September 6, at which the tickets will be announced.

—Public announcement has been made by the Metropolitan Life of further voluntary cash dividends on its industrial policies. A cash mortuary dividend will be paid on all death claims where the policy has been in force five years or more on the basis of one per cent of the face of the contract for each year of its existence. The company estimates that the cost of this provision this year will be about \$1,200,000. Immediate benefits on adult industrial life policies, payable during the six months after date of issue, have been doubled, and certain increases made in benefits on infantile endowment policies in the first year. These increased benefits will cost the company approximately \$150,000 during 1906. In addition to the foregoing the company is paying cash dividends to living industrial policyholders of \$682,000; to holders of intermediate policies \$620,000, and on ordinary policies \$200,000, thereby bringing the mutual rates charged on such contracts down to the non-participating rates charged on current business. In all, the Metropolitan will pay this year in dividends nearly \$3,000,000, three-fourths of which is a voluntary gift to the policyholders.

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Vol. LXXVII. THURSDAY, AUG. 30, 1906. No. 9.

WHEN the New York legislature hastily enacted a mass of legislation intended to regulate the life insurance business in the State, there were many features which came in for severe criticism at the hands of company managers and agents. Some attempt was made prior to the passage of the bills to eradicate the most vicious sections, but owing to the excited state of public opinion the measures were jammed through but slightly amended, with the result that there has been considerable confusion in the minds of all concerned ever since as to the exact meaning of the statutes. Among the sections showing want of proper care in their preparation were those relating to standard forms of life policies, there being, fortunately, however, a provision permitting the Superintendent of Insurance to approve of amendments to the forms. A committee of actuaries representing a majority of the New York companies has been at work on these forms, and the result of their work is seen in the preparation of forms which not only correct the grammatical inaccuracies of the legal forms but make them conform to modern practice. These forms are to be submitted to the Superintendent for his approval, and to aid him in his decision the actuaries have prepared a brief in which every change, even of a single word, is thoroughly explained and the reasons given therefor. In view of the authoritative standing of the men who have made this revision there can be no doubt but that the State official will give careful consideration to their report. It is to be regretted that the daily press can still see nothing good emanating from the companies, and the charge is made that these changes are not in the interests of the policyholders, whereas as a matter of fact the revised is a better policyholders' contract than the originals adopted, and is infinitely clearer in its language. A copy of the endowment form is shown in the Supplement to this week's issue of THE SPECTATOR.

THE special committee of the board of trustees of the New York Life Insurance Company has completed its labors, and in another column THE SPECTATOR presents liberal extracts from its final report. A perusal of the report and con-

sideration of the conclusions reached will give little comfort to those who still seem determined to find no good in the management of life insurance companies in general and the large companies in particular. It is frankly admitted by the committee that mistakes have been made, but when compared with the wonderful results achieved in the growth of the institution and the splendid quality of the investments made to protect the contracts of policyholders, the mistakes sink into insignificance. The report as a whole is a magnificent tribute to the management of the company under the late John A. McCall and vindicates his memory in a most thorough manner. The system built up to handle the business so that the vast machine might work without friction is highly commended, and it is a matter of some regret that, under the new laws, there must be some readjustment, owing to the fact that less new business can hereafter be accepted. This will result in the loss of the services of many agents to the company, but their training has been such that they will prove valuable acquisitions to other institutions. Following its usual policy of publicity, the New York Life has furnished a copy of the report to each of its policyholders, and they may rest assured, not only that their interests are thoroughly protected, but that the present management is determined to give them every advantage in conformity with the letter and the spirit of the law.

CAUTION in the disbursement of trust funds seems to be entirely praiseworthy and proper under some conditions, and most reprehensible under others—at least, this is the conclusion drawn from the action of those in charge of the San Francisco Relief and Red Cross funds, and the almost universal criticism of the fire insurance interests. It appears that merchants whose goods were confiscated by the city during and following the great earthquake and conflagration, have put in their claims for reimbursement; but they find that it is as hard to collect from the finance committee as it is from the fire insurance companies, and that they are requested to file detailed schedules of all goods taken, and to reduce their claims, etc. It is a pretty safe assumption that those responsible for the Relief and Red Cross funds, and who are exercising such close discrimination in passing claims, have been among those who have sharply criticised the fire insurance companies because the directors of the latter have felt it to be incumbent upon them to guard the funds entrusted to their care from unjustifiable depletion. It seems to make a vast difference whose ox is gored.

UNDERWRITING AND INVESTMENT PROFITS AND LOSSES OF CASUALTY AND MISCELLANEOUS INSURANCE COMPANIES IN 1905.*

THE results of the 1905 operations of the principal companies transacting the various classes of insurance, aside from life, fire and marine, in the United States, are clearly shown in the accompanying tabulation, derived from statements filed in the Minnesota Insurance Department. The columns devoted, respectively, to underwriting profits, underwriting losses, and investment income and accretion, indicate

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the sources of the surplus earnings of the companies, and the disposition made of the earnings is shown by the columns relating to dividends, contingent funds, and surplus changes.

A glance at the table reveals the fact that but 18 of the 38 companies made a profit on their underwriting transactions, and that, in the aggregate, the 38 companies listed suffered a net underwriting loss of \$239,742, or one-half of one per cent on the total volume of premiums earned—\$46,511,632. Individual companies made underwriting profits ranging in amount as high as \$216,693, and in percentage as high as 15 per cent; while, on the other hand, the underwriting loss sustained by a single company reached the sum of \$267,863, and loss ratios ranged between 1.3 per cent and 58.5 per cent—the latter on a very small volume of business.

For convenience of comparison, the companies are divided into general groups, according to the classes of insurance of which the bulk of their business consists. Scanning these groups, it is noticed that but 7 of 18 casualty companies show underwriting profits, and only 6 of 14 fidelity and surety companies do likewise, while 3 of the 4 plate glass companies, and the single credit and steam boiler insurance companies conducted their underwriting transactions profitably. The investment income of all the companies, plus the net appreciation of their assets, amounted in 1905 to \$3,262,195, or more than twice the sum devoted to dividends by American companies and remittances to home offices by foreign companies. Thus, in the aggregate, though the underwriting was unprofitable, the companies were enabled to strengthen their

UNDERWRITING AND INVESTMENT PROFITS AND LOSSES OF CASUALTY AND MISCELLANEOUS INSURANCE COMPANIES IN 1905.

NAME AND LOCATION OF COMPANY.	Premiums Earned in 1905.	Losses and Under- writing Expenses Incurred in 1905.	Under- writing Profit in 1905.	Under- writing Loss in 1905.	Investment Income and Accre- tion in 1905.	†Surplus Earned in 1905.	†Dividends Incurred in 1905.	Increase(+) or De- crease (—) in Con- tingent Fund in 1905.	Increase (+) or De- crease (—) in Net Surplus in 1905.	Ratio Net Losses Incurred to Prem. Earned in 1905.	Ratio Expenses Incurred to Prem. Earned in 1905.	Ratio Underwriting Profit (+) or Loss (—) to Prem. Earned
<i>Casualty Companies.</i>	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%	%
Etna Life (Accident & Liability Dept.), Hartford.....	3,565,007	3,780,105	.....	215,098	101,117	—113,981	50,000	.....	—163,981	60.2	45.8	—6.0
Casualty Co. of America, N. Y.....	1,092,941	1,130,500	.....	37,559	81,994	44,435	.....	.....	+44,435	44.5	58.9	—3.4
Continental Casualty, Hammond...	2,094,605	2,123,269	.....	28,664	76,081	47,417	16,500	.....	+30,917	48.1	53.2	—1.3
Employers Liability, London.....	2,181,355	2,449,218	.....	267,863	72,412	—195,451	36,726	.....	—232,177	63.9	48.2	—12.2
Fidelity and Casualty, N. Y.....	5,287,028	5,416,415	.....	129,387	428,063	298,676	95,000	—550,000	+753,676	47.8	54.6	—2.4
Frankfort M., A. & P. G., Frankfort	945,993	1,192,386	.....	246,393	23,716	—222,677	—176,796	.....	—45,881	92.2	33.7	—26.0
General Accident, Perth.....	647,211	594,589	52,622	.....	6,703	59,325	—24,933	.....	+83,358	42.3	49.5	+8.1
Great Eastern Cas. & Ind., N. Y.	316,732	279,394	37,338	.....	7,942	45,280	7,500	.....	+37,780	34.1	54.1	+11.7
London Guar. and Acci., London...	1,244,973	1,310,368	.....	65,395	85,702	20,307	50,572	.....	—30,265	66.4	38.9	—5.2
Maryland Casualty, Baltimore.....	2,154,224	2,078,344	75,880	.....	59,766	135,646	90,000	.....	+45,646	40.8	55.6	+3.5
New Amsterdam Casualty, N. Y...	604,832	633,414	.....	28,582	15,355	—13,227	.....	—16,000	+2,773	53.3	51.4	—4.7
North American Acci., Chicago....	597,734	526,359	71,375	.....	17,493	88,868	20,000	.....	+68,868	36.8	51.2	+11.9
Ocean Acci. & Guar., London.....	1,643,701	1,624,823	18,878	.....	73,278	92,156	108,213	—24,138	+8,081	59.5	39.3	+1.1
Preferred Accident, N. Y.....	1,359,762	1,377,557	.....	17,795	41,505	23,710	24,000	.....	—290	40.7	60.5	—1.3
Standard L. and A., Detroit.....	1,587,653	1,518,035	69,618	.....	90,450	160,068	30,000	+25,000	+105,068	48.3	47.2	+4.3
Travelers (Acci. Dept.), Hartford...	6,112,557	6,355,190	.....	242,633	521,598	278,965	250,000	.....	+28,965	48.7	55.2	—3.9
United States Casualty, N. Y.....	1,076,479	1,106,244	.....	29,765	42,421	12,656	.....	+12,656	.....	50.8	51.9	—2.7
U. S. Health & Acci., Saginaw.....	775,830	710,787	65,043	.....	17,466	82,509	32,000	.....	+50,509	49.8	41.8	+8.3
Totals (18 Companies).....	33,288,617	34,206,997	.....	*918,380	1,763,062	*844,682	*609,682	*—552,482	*+787,482	.....	.....	—2.7
<i>Fidelity and Surety Companies.</i>												
Etna Indemnity, Hartford.....	514,691	579,647	.....	64,956	183,776	118,820	.....	.....	+118,820	42.9	69.6	—12.6
American Bonding, Baltimore.....	669,568	653,497	16,071	.....	31,972	48,043	.....	.....	+48,043	27.1	70.4	+2.4
American Surety, N. Y.....	1,550,599	1,333,906	216,693	.....	191,475	408,168	200,000	.....	+208,168	27.6	58.3	+13.9
Bankers Surety, Cleveland.....	164,776	171,908	.....	7,132	2,771	—4,361	.....	.....	—4,361	36.0	68.2	—4.3
Empire State Surety, Brooklyn.....	413,960	439,026	.....	25,066	100,699	75,633	50,000	+25,000	+633	20.9	85.0	—6.0
Federal Union Surety, Indianapolis.	155,915	158,990	.....	3,075	11,245	8,170	.....	.....	+8,170	27.9	74.0	—1.9
Fidelity and Deposit, Baltimore...	1,371,883	1,251,236	120,647	.....	422,680	543,327	280,000	+578,816	—315,489	35.9	55.3	+8.7
Guarantee Co. of N. Am., Mont'l...	198,031	171,982	26,049	.....	73,530	99,579	24,368	.....	+75,211	24.6	62.1	+13.1
Illinois Surety, Chicago.....	19,849	27,894	.....	8,045	7,672	—373	.....	.....	—373	2.2	138.3	—40.5
Metropolitan Surety, Chicago.....	48,610	77,094	.....	28,484	821	—27,663	.....	.....	—27,663	5.2	153.3	—58.5
National Surety, N. Y.....	1,170,318	1,120,322	49,996	.....	30,252	80,248	.....	—50,000	+130,248	42.8	52.8	+4.2
Pacific Surety, San Francisco.....	98,232	82,766	15,466	.....	21,408	36,874	15,000	.....	+21,874	26.2	58.0	+1.5
Title Guar. & Trust, Scranton.....	430,220	472,544	.....	42,324	54,374	12,050	\$28,585	.....	—16,535	27.7	82.1	—9.8
U. S. Fidelity & Guarantee, Balto...	2,229,403	2,299,736	.....	70,333	100,621	30,288	59,500	.....	—29,212	47.8	55.2	—3.1
Totals (14 Companies).....	9,036,055	8,840,548	*195,507	.....	1,233,296	*1,428,803	657,453	*+553,816	*+217,544	.....	.....	+2.1
<i>Plate Glass Companies.</i>												
Lloyds Plate Glass, N. Y.....	440,383	377,228	63,155	.....	14,337	77,492	50,000	.....	+27,492	30.7	54.9	+14.3
Metropolitan P. G. & Cas., N. Y...	451,686	464,243	.....	12,557	15,006	2,449	20,000	—7,000	—10,551	37.0	65.7	—2.7
New Jersey Plate Glass, Newark...	197,588	167,907	29,681	.....	14,671	44,352	109,000	.....	—64,648	31.6	53.3	+15.0
New York Plate Glass, N. Y.....	450,587	402,950	47,637	.....	32,291	79,922	22,000	.....	+57,922	36.0	53.3	+10.5
Totals (4 Companies).....	1,540,244	1,412,334	*127,910	.....	76,305	204,215	201,000	—7,000	*+10,215	.....	.....	+8.3
<i>Miscellaneous Companies.</i>												
American Credit Ind., N. Y.....	1,396,128	1,216,664	179,464	.....	54,196	233,660	100,000	.....	+133,660	42.6	44.4	+12.8
Hartford Steam Boiler, Hartford...	1,250,588	1,074,831	175,757	.....	135,336	311,093	60,000	.....	+251,093	5.1	80.8	+14.0
Totals (2 Companies).....	2,646,716	2,291,495	355,221	.....	189,532	544,753	160,000	.....	+384,753	.....	.....	+13.4
Grand Totals, 1905 (38 Cos.)...	46,511,632	46,751,374	.....	*239,742	3,262,195	*3,022,463	*1,628,135	*—5,666	*+1,399,994	.....	.....	—0.5

*Net. †Amounts for foreign companies in dividend column represent net remittances to or (—) net receipts from home offices. Amounts for American companies preceded by minus sign (—) indicate surplus paid in by stockholders. ‡Minus sign (—) in surplus earned column indicates combined underwriting and investment loss. §Dividends paid, \$46,835, less surplus paid in by stockholders, \$18,250.

surplus funds to the extent of about \$1,400,000. The changes in contingent funds during the year amounted to a net reduction of \$5666.

On comparing the underwriting record of 1905 with the results in the two next previous years, it is found that in 1903 39 companies secured a profit of 2.8 per cent on premiums aggregating \$37,709,506; in 1904 their profit was but four-tenths of one per cent on \$43,256,375 of premiums, while in 1905, 38 companies lost five-tenths of one per cent on \$46,511,632 of premiums. Judging by these figures, the more business the companies do, the worse off they grow, financially. The steam boiler, credit, and plate glass branches appear to have been fairly profitable in 1905, but the fidelity and surety companies made only a small profit, and the casualty companies (which wrote 70 per cent of all the premiums) lost 2.7 per cent on their thirty-three million dollars of premiums. As the casualty companies made an underwriting profit of 1.2 per cent in 1904, it is manifest that there is something wrong with the accident and liability branches of the business.

There are evidences, however, that the leaders in the business realize the necessity for taking steps to bring about a change in the yearly balance, from a loss to a profit, and that, even though competition remains exceedingly active, the tendency will be in the direction of greater conservatism in the policy contracts, as well as in the business methods of the various companies.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The surplus line agents were called upon by a letter received from one Holmes Jones, a lawyer, to meet in conference to consider a communication from the Department on the methods of the agents contrary to law. It is presumed that he was anxious to be employed by the surplus line brokers and agents to defend them against the supposed hostility of the Department, a hostility that, in point of fact, never existed. The conference at his office was a failure, and only one principal and two clerks appeared.

There is considerable new business offering just now, caused largely by the reduction of lines by many companies and the consequent throwing of the droppings upon the open market. The cessation of reinsurance upon the same scale as last year has resulted in distributing business more generally, and the effect is to give out business that is practically new to several offices. With increased rates there is increased income, but it is noted that the brokers are discriminating in favor of the stronger companies, with an inclination to reduce offerings to those which are charged with delaying San Francisco payments.

Notwithstanding the rebuff given to the Merchants Association by Superintendent Kelsey of the Insurance Department, it is stated upon credible authority that that official is slowly approaching an inquiry into the charges against several companies, in connection with the San Francisco settlements, of unusual and improper delays. Letters have been sent already, based on circumstantial details, of such delays, addressed to alleged offenders and demanding an explanation. This looks as if the New York Department would take cognizance of the reports of such settlements.

A floating policy was taken out by a prominent hotel in this city, which ostensibly covered property in the hands of laundries, but was so artfully drawn as to cover in carpet cleaners using benzine, and also renovators of upholstery, including repairers. The only exemption was

localities where the owners held specific insurance and chemical factories, drug mills and planing mills. The rate was three per cent, which the brokers claimed was in excess of the tariff. One company made the line of \$5000 binding, and then threw out the form because of its possibilities.

Automobile insurance is still the cause of embarrassment to brokers, because of the objections to full garages and high rates for floaters. The forms are scrutinized more closely than ever and, excepting for floaters with full coinsurance, the risks are unpopular with the companies.

There has been quite a swarm of local agents from several parts of the country in town during the week, seeking the acquaintance of companies and new connections. The changes in the last three months have disorganized several important agencies throughout the land.

It is understood the owners of the American Dock stores, on Staten Island, have decided to equip the buildings with automatic sprinklers. Even with this added improvement, it is doubtful if the companies will be eager for cotton risks in that location. The origin of the recent fires being attributed to incendiarism, it becomes an interesting inquiry who and whom are the guilty parties?

The narrowing of the lists of companies whose policies are accepted by several trust companies as collateral for mortgage loans has created an embarrassment for many manufacturing risks belonging to the mortgagee class. With the loss payable to a trust company and the companies writing only small lines, it is difficult to manage the entire line within the scope of the acceptable lists. It is stated that the action of the trust companies has given the cue to other money-lending institutions, as well as individuals, and that the effects of the unfavorable reports from San Francisco are already felt by some of the companies under a cloud in that city. The action of the trust companies, however, extends far beyond companies outside of the 'Frisco losses.

Henry Evans, president of the Continental, sailed for Europe yesterday on the "Baltic."

The Dutchess Fire of Poughkeepsie has commenced writing business in this city through Crum & Forster.

President Henry Evans of the Continental is in favor of revising the standard form of fire policy, by the elimination of many of its present conditions, and the boiling down of other provisions, so as to make the wording as simple and clear as possible.

CHICAGO AND THE WEST.

In additional returns of premiums in this city filed by some of the larger fire insurance companies with the city collector, the Royal claims leadership with a showing of \$309,135, showing a gain of over \$40,000, and being the first time the \$300,000 mark ever was passed in Chicago. Among the other companies which show good gains are the Phoenix of London, the London Assurance, the Northern of London, and the Springfield Fire and Marine.

All the reinsurance due the Traders, amounting to \$1,300,000, has been attached by M. J. Hawley of San Francisco, who has a claim of \$38,000 against the company in Chicago. On the ground that he is interfering with the receiver, a motion has been made in the local courts to debar him from prorating with the loss claimants, if he continues to prosecute his suit.

A joint investigation of basement fires in Chicago for several years past, with particular reference to the value of various kinds of extinguishing apparatus, has been begun by the Chicago fire department and the Chicago Board of Underwriters. In Chicago it is planned to allow certain concessions in rates for the installation of approved appliances for extinguishing fires in basements, such as perforated pipes or sprinklers. A liberal allowance, it is planned, will be made for the installation of sprinklers rather than perforated pipes, the latter causing heavy water damage in some instances owing to their inability to confine the flow of water to the area of the blaze.

BOSTON AND VICINITY.

The New England Insurance Exchange has decreed that the advance of twenty-five per cent, made to apply to certain special hazards, shall not apply to patent-leather factories.

At the meeting, Wednesday, September 22, the Exchange will consider the recommendation of the executive committee for an advance in rates on summer dwellings, to two and one-half premiums for three years, and four premiums for five years.

J. J. E. Rothery, well known in Boston fire insurance circles, and S. T. Emery, counter clerk in the office of Hinckley & Woods, have formed a partnership under the style of J. J. E. Rothery & Co., and will do a general fire insurance business.

The Arlington (Mass.) Insurance Agency, George Y. Wellington, proprietor, celebrated its eightieth anniversary, which was also the eightieth birthday of the proprietor, the past week.

Fire Commissioner Wells of Boston, in his annual report issued the past week, makes very prominent the assertion that Boston is lacking in fireboat protection, going into his reasons for so doing in great detail.

Insurance people admit that they are not very much at variance with Mr. Wells' ideas. The insurance companies, however, are not in a position to acquire an intimate knowledge of the needs of the fire service.

NOTES FROM PHILADELPHIA.

On Saturday the resignation of James F. Stone & Co. as Eastern Pennsylvania general agents of the Indianapolis Fire takes effect. Stone, Mathews & Co. will, however, continue as representatives of the company for this city and vicinity. James G. Hardie becomes special agent for the company in the territory covering the general agency of James F. Stone & Co. from the date of their resignation.

The legal objection to the ordinance originally passed by the Atlantic City council creating a paid fire department was overcome last week, when a new ordinance was passed during the absence of members who were volunteer firemen, following the lines of the old one, and appropriating \$130,000 for the property and apparatus of the volunteers.

The outstanding perpetual policies of the American Fire of this city are being presented in great numbers for cancellation, and the return deposits thereunder are being paid as rapidly as circumstances will permit.

Insurance men here were interested and much amused over the publication last week in one of the Philadelphia daily papers of a selected list of twenty-seven classes of risks, said to be found chiefly in the congested district of this city, upon which the average annual loss and average annual premiums are given covering a period of twenty-five years. The deduction is made from this list that profits have ranged from seventy-five to twelve hundred per cent. One local underwriter says in connection with the statement referred to:

The local companies, which as a whole secure the greatest percentage of the preferred business, are the best examples to use to show the fallacy of the figures. It is a well known fact that for years past these companies have not returned in dividends to their stockholders, either collectively nor in any one case, a sum equal to the returns from investment securities. Such being the case, what has become of this enormous underwriting profit which the said newspaper claims, and which, in truth, has not found its way into the surplus fund? It is interesting to note that in this list of risks found chiefly in the congested district, are dwellings, of which there are hardly any there, saloons and many classes of retail stores, great numbers of which are, of course, located outside the district.

Regarding the agitation against the so-called "insurance trust," Charles M. Biddle, chairman of the insurance committee of the Trades League, said last week that, so far as he knew, the making of any charge against it would not be done by the league. He also said:

I am not even sure that the investigation of the fire department will be made. I can only tell that the matter will be put before the committee at the meeting to be called in September. If the committee decides to respond to Director Potter's desire, and I hope it will, the investigation will go on.

Two special meetings of the stockholders of the Delaware Insurance Company were held on Tuesday of last week. At the first it

was voted to reduce the par value of the 28,115 shares of stock outstanding from \$25 to \$10 a share, thus reducing the capital from \$702,875 to \$281,150. At the second meeting, 14,057 new shares were authorized to be issued, which on the basis of \$10 par increases the capital to \$421,720. The new stock is offered to stockholders to the extent of fifty per cent of their present holdings at \$20 per share, and this privilege to subscribe expires to-morrow. This new issue of stock has been underwritten by a banking syndicate. After allowing \$450,000 for San Francisco losses, the surplus amounts to \$250,000, and the liquidating of the stock is estimated at \$25 per share. It is understood that dividends will be paid on the new stock at the rate of fifteen per cent per annum, beginning in January next. The last dividend on the old stock was paid in January, 1906, the disbursement being three and one-half per cent, and an extra dividend of one-half of one per cent. No dividend was paid in July of this year.

THE MIDDLE STATES.

—The Firemens Fund Insurance Corporation has applied for admission to New York State.

—One share of the Pennsylvania Fire recently sold at auction at 405. The last previous sale was made at 300.

—The National Lumber of Buffalo has appointed A. E. Royer of Wilkesbarre, Pa., its special agent for Eastern Pennsylvania.

THE WEST.

—H. C. Huiskamp, president of the Midland National Fire of St. Louis, died recently.

—J. Q. Haas of St. Paul has been appointed Minnesota general agent of the Eagle Fire, outside of Minneapolis.

—The Queen City Fire of Sioux Falls has entered Colorado and appointed Jones & Jones of Denver its general agents for the State.

—C. F. Miller, a pioneer insurance man of St. Louis, secretary of the St. Louis Fire Prevention Bureau, and secretary of the local salvage corps, is dead.

—K. F. Benndorf, senior member of the Cincinnati agency firm of K. F. Benndorf & Co., died recently at his country home near Covington, Ky., from pneumonia.

—L. C. Van Ness has been appointed special agent of the Springfield Fire and Marine for Oklahoma and Indian Territory, with headquarters at Oklahoma City.

—W. M. Umbdenstock & Co. of Chicago have been appointed sole agents for surplus lines of the Atlas of Des Moines for all States except Iowa, Arkansas, Mississippi and Tennessee.

—A new underwriters corporation, to be known as the Southwest Underwriters Company of Oklahoma City, has been chartered under Oklahoma laws. It has a paid-up capital stock of \$25,000. The officers are: E. J. Archinard, president; Ed A. Smith, general agent of the National Mutual Fire of Omaha (Neb.), vice-president; C. F. Beard, secretary, and W. E. Hodges, treasurer.

THE SOUTH.

—Chief Wm. R. Joyner of the Atlanta fire department has received the nomination for that city's mayoralty.

—The Hanover Fire has appointed Webb & Skinner of Raleigh its general agents for North and South Carolina.

—The Prudential Fire of Tazewell, Va., is now operating in Virginia, West Virginia, North and South Carolina, Florida and Mississippi.

—W. B. Walker of Tazewell, Va., has been appointed special agent of the Scottish Union and National for Virginia and North Carolina.

—Thomas A. Manning, Jr., son of T. A. Manning, the well-known general agent of Dallas, Tex., was drowned recently while bathing at a lake near Dallas.

—The Louisiana Fire Prevention Bureau has elected the following-named officers: Charles H. Pescay, president; H. M. Tanner, vice-president; Sol Bloodworth, secretary.

—Trezevant & Cochran of Dallas, Tex., recently issued a circular to their representatives in the Southwest, calling attention to the demoralization that has existed in that section for the past three years, owing largely to State laws prohibiting co-operation or agreement between companies to stop the downward tendency of rates, and requesting agents to advance rates on certain classes of risks which have proved particularly unprofitable during a series of years. Among the classes enumerated are: Bottling works, both brick and frame; candy factories; cold storage warehouses and contents; drugs, wholesale, unsprinkled; elevators and contents; groceries, wholesale; hazardous and special hazardous; ice factories; packing houses; printers and bookbinders' stocks, both brick and frame; rice mills, frame unsprinkled; saw and shingle mills; frame boarding schools and colleges.

MISCELLANEOUS FIRE NEWS.

National Association of Local Fire Insurance Agents.

The annual meeting of the above-named association is to be held at Indianapolis on October 17, 18 and 19 next. The railroads centering there have granted a rate of one and one-third fare, upon the certificate plan, to those attending the convention. Headquarters will be at the New Claypool Hotel, which will be reserved exclusively for the convention. The rates at the different hotels will be as follows:

HOTEL.	American Plan	European Plan.
New Claypool.....	\$3-\$3.50 (\$3.50-\$5 with bath)	\$1.50-2 (\$2-\$3.50 with bath)
Grand.....	2.50 and upward.	.....
Dennison.....	3.00 " "	\$1.50 and upward.
English.....	2.50 " "	0.75 " "
Spencer.....	2.00 " "	.....
London.....	.....	\$1.00 and upward.

T. M. Goodloe, inspector of the Indianapolis Fire Inspection Bureau, is chairman of the committee on hotels, and will furnish desired information.

Foreign Companies Operating in Chili.

According to a report of the Inspector of Finances of insurance companies operating in Chili, dated June 22, 1906, and recently received by the Policy Holders Union, Chicago, the following foreign companies were then operating in Chili:

ENGLISH COMPANIES.	
Sun Insurance Office.	London and Lancashire.
Law Union and Crown.	Liverpool and London and Globe.
Commercial Union.	Scottish Union and National.
Phoenix.	Royal.
Northern.	Union.
Guardian.	Alliance.
North British and Mercantile.	
GERMAN COMPANIES.	
Hanseatica.	Aachen & Munich.

On December 31, 1905, the foreign companies had 110,500,000 pesos at risk in Chili, with 6,178,000 pesos reinsurance. The amounts at risk of, and losses incurred by, individual companies are not yet obtainable. Other foreign companies which were reported by the Consul-General of Chili at New York, as doing business in Valparaiso, but which were not included in the list of the Inspector of Finances, are the following: Atlas, Baloise, British and Foreign, Hamburg, Dresden, Hamburg-Bremen, Imperial, La Veloce, Lloyd Aleman, London, Magdeburg, Manchester, Marine, Maritime, National of Ireland, Prussian National, Netherlands, New Zealand, Union Marine, Nord Deutsche, North German, Norwich Union, Palatine, Queen, Royal Exchange, Swiss, Sea, South British, Standard, Stettin, Thames and Mersey, Transatlantic. The latter list contains evidence of being a very old one.

VARIOUS ITEMS.

—Charles D. Hodges has been appointed secretary of the Old Colony of Boston, succeeding John S. Bridges, Jr., resigned.

—The Atlas of London has received a cable despatch from the home office announcing that the company had no liability at Valparaiso.

—Corporation Counsel Arthur L. Shipman of Hartford has been elected a director of the Aetna, succeeding his father, the late Judge Nathaniel Shipman.

—The Hartford Fire has completed the settlement of all its individual losses at San Francisco. The twenty-two adjusters had a farewell banquet at the Techau Tavern the last evening of their stay.

—As a result of the San Francisco conflagration the Astra Insurance Company of Sweden has lost its entire reserve fund. The company now proposes to reduce its capital one-half and transfer it to the reserve fund. Its principal creditor is the Svea Fire and Life of Gothenburg.

—It is reported that representatives of the Policyholders League at San Francisco will be sent to Germany and Austria to bring suits against the Austrian Phoenix, North German Fire of Hamburg, Rhine and Moselle and the Transatlantic for the recovery of claims arising from the San Francisco conflagration.

—In a recent issue of The San Francisco Call, an article appeared eulogizing the procedure followed by the Agricultural in adjusting and paying all its claims arising from the San Francisco disaster, according to the merits of each. In commenting further, the writer says: "The Agricultural has paid over one-half of the claims against it in San Francisco on a basis and in a manner

which has won the commendation of all interested. Its adjuster, Mr. C. H. Lacey, has established an enviable reputation and record for himself and the company."

—The London and Lancashire Fire, Orient of Hartford and the English-American Underwriters have, through their attorney in fact, Charles Hendry, replied to the attack made on them by Tobin & Tobin, attorneys for the Hibernia Savings and Loan Society, regarding the settlement by these companies of their San Francisco losses; replying to the charges seriatim and leaving the matter to the general public as to the facts.

—Crum & Forster have requested the National Association of Local Fire Insurance Agents to withdraw the names of companies represented by them as general agents from the list of those co-operating with the National Association in agreeing not to issue policies for non-resident brokers unless satisfied that the whole insurance placed or to be placed complies with the rules and conditions to which the risk is subject locally. The companies included in the list are the Nassau, Peter Cooper, Empire City and United States.

—According to a cable despatch to The Journal of Commerce and Commercial Bulletin, The Daily Telegraph of London recently contained an official announcement from the general manager of the Atlas Assurance, to the effect that he is authorized by all the British companies transacting business in Chili to contradict an absolutely incorrect statement published that there is any intention to go beyond their strict legal contracts, which, he stated, most clearly exempts them from all liability for loss or damage by fires consequent upon earthquake.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

The Eastern office of the Pacific Mutual Life, at 68 William street, is now in charge of R. George Rusk, who has succeeded former Manager Edwin D. Boldman.

Paul Morton, president of the Equitable Life, returned from Europe by the "Lucania" last week. The daily press had considerable difficulty in locating Mr. Morton, apparently, for cable dispatches at various times announced his departure for America by a North German Lloyd, a White Star and finally a Cunard steamship.

CHICAGO AND THE WEST.

President Peabody of the Mutual Life of New York, who was in the city the other day on business as agent of the Astor estate, met the Chicago agents of the company at a noon-day gathering in the offices of Manager William B. Carlile, it being the first agency meeting he has attended outside of New York. His talk to the agents had to do principally with agency matters, one of his statements being that the agents who were in no way responsible for the difficulties of the big companies had been obliged to share the burdens. Although there had been a falling off in business, he said he was confident that a renewal of confidence would come in due time, and with it new business to the limit the company would be allowed to write under the law. The company was now thoroughly organized, he said, and everything was working smoothly at the head office. The present management expected to be, and deserved to be, elected, and he hoped it would be by a vote of the policyholders large enough to be impressive.

The Tennessee Insurance Department has served notice on the Chicago Life that its agent will not be permitted to sell stock of the Chicago Life Agency Company in that State, its ruling having been endorsed by the Attorney-General of Tennessee.

W. Herbert Stewart, secretary of the Illinois Surety Company, has resigned and left for the East, where he expects to ally himself with some other company. Manager E. M. McKinney resigned a few weeks ago, and Superintendent of Agents D. E. Monroe is expected to leave the company shortly.

NOTES FROM PHILADELPHIA.

Following the recent announcement that the Manhattan Security Company, of which Clarence Hodson of this city is president, had severed its connection with the Manhattan Life, and removed its offices to the Drexel building, comes one stating that the Manhattan Security

Company has decided to place its business, in so far as possible, with the Royal Union Mutual Life of Iowa, and an exclusive long-time contract has been made with that company.

Last week George F. A. Greaney brought suit for \$20,000 damages against Richard S. Vancleave, a West Philadelphia builder, for injuries sustained by him due to the fall of a house being erected by the latter on June 22 last.

The statement of the United American Life, recently organized by the Muir & Haughton interests of this city, dated June 30, 1906, shows it to have a capital of \$100,000, assets of \$152,675, and a net surplus of \$21,695. The entire stock is owned by the General Trust Company of Philadelphia.

THE MIDDLE STATES.

—A new Nylc company to be known as the International Life is to be organized under the laws of New Jersey with a capital of \$5,000,000. This enterprise is said to be backed largely by New York Life officials.

—Manager Woods' agency of the Equitable Life at Pittsburg has, for the year to date, the record of being the leading agency of the society. The business for the first half of August was double that of the same period last year, which latter was in itself a record August of the agency.

—The Rochester (N. Y.) Life Underwriters Association has raised a fund to stamp out rebating. Managers and general agents have agreed to discharge any agent who they believe practices rebating, and one agent has already lost his position and is unable to obtain employment in Rochester.

—Members of the Catholic Mutual Benefit Association, headed by D. F. Ward, have asked the New York Insurance Department to investigate the association. It is charged that rates were unnecessarily raised and that the constitution and by-laws have been so amended as to make it impossible for the members to change the officers.

THE WEST.

—The Manhattan Life has closed its Detroit office for the present.

—All the Wisconsin membership of the Ancient Order of United Workmen threaten to withdraw from the order owing to the increases in rates. The past grand master of Wisconsin has made a statement in which he says the trouble is all due to not starting with an adequate rate.

—A number of State Insurance Commissioners and Attorneys-General met recently at the new State capitol at St. Paul, Minn., to submit and discuss a uniform code of insurance laws which the several State legislatures will be asked to adopt at their next sessions.

—George E. Towle, cashier of the First National Bank of Park River, N. D., has been elected treasurer of the Northwestern National Life of Minneapolis. He also succeeds P. D. Boutell as director. R. E. Esterly, formerly secretary and treasurer, will continue as secretary.

—The Northern Life of Seattle, Wash., has just commenced business with an authorized capital stock of \$125,000, of which the whole amount is subscribed and \$83,775 paid in. The new company will transact a life, health and accident business, with the following-named officers: H. C. Henry, president; J. H. Edwards, T. B. Wallace, John Davis, vice-presidents; T. M. Morgan, secretary, and D. B. Morgan, general manager.

THE SOUTH.

—A movement is on foot at Greensboro, N. C., to organize a life company to be known as the Mutual Life of Greensboro, with a capital stock of \$5,000,000.

—Augustus S. Jones of Jackson, Miss., has been appointed general agent for Mississippi of the Reliance Life.

—At the end of its first year of business the Greensboro Life of Greensboro, N. C., was able to show 2785 policies in force for \$4,557,258. Its total income was \$175,813; disbursements, \$151,372, and assets now stand at \$187,701. The actual mortality loss was \$4500, or but 22½ per cent of the expected.

—Governor Terrell of Georgia has signed a bill which gives Georgia legal reserve companies the privilege of depositing with the State Treasurer cash securities, which, with the \$100,000 already required for deposit, will amount to the companies' reserves on all policies in force. At present, the new law will affect only one company—the State Mutual Life of Rome. The old law required legal reserve companies to deposit \$100,000 in bonds, or other securities, deemed by the Comptroller General to be equivalent to cash, with the State Treasurer. The State Mutual Life was the only company which qualified under the \$100,000 clause of the old law. The company already has on deposit cash securities amounting to considerably more than \$100,000, and most of these securities are registered bonds. The company now announces its intention to deposit additional securities in order to bring the sum up to the reserve on all of its policies in force. Georgia legal reserve companies will not be obliged to conform to the full reserve clause of the new law, but a company once having taken advantage of this privilege will thereafter be compelled to conform to it.

MISCELLANEOUS LIFE NEWS.

Final Report on the New York Life.

The special committee of the board of trustees of the New York Life has submitted its final report, in which is incorporated the balance sheet and certificate of the chartered accountants employed to go over the books of the company. By the balance sheet it is shown that on December 31 last the company possessed assets amounting to \$438,788,015, while its surplus funds were \$54,047,176. Both these items exceed the amounts given in the annual statement to the New York Insurance Department. We present extracts from the report, as follows:

THE WORK OF THE FINANCE COMMITTEE.

The by-laws of the company confide to the finance committee the duty of supervising the funds of the company and making and changing its investments. It consists of seven members, including one or more of the three vice-presidents. The present members of the committee with the dates of their appointment are as follows: John Claffin, May, 1892; Edmund D. Randolph, May, 1892; Woodbury Langdon, April, 1896; George A. Morrison, November, 1900; Alexander E. Orr, October, 1904; D. P. Kingsley, January, 1906. G. W. Perkins retired from the committee after nearly seven years' service in December, 1905. There is now a vacancy in its membership.

The committee meets twice a week and a sub-committee every day, and the record shows a very regular attendance. The duties of the committee are continuous and onerous and the financial stability of the company depends upon their efficient and conscientious performance. They require sound judgment, experience, a wide knowledge of financial matters, and the ability to select investments which are both safe and productive. To supervise and direct the investment of from \$300,000,000 to \$400,000,000 is obviously a task imposing grave burdens and responsibilities. * * *

It is not to be expected that transactions of such magnitude could be carried on year after year without some losses as well as profits. It appears that in the five years, 1901 to 1905, both inclusive, the purchases of securities amounted to \$291,052,704.77, the sales to \$101,587,319.90, besides redemptions of maturing securities. We find also that the profits realized from sales and syndicates were \$8,642,695.66, after deducting losses on sales of securities during the same period of \$702,679.83, not including any loss that may be ultimately sustained on the United Collieries first five per cents. The losses did not as a matter of fact amount to that sum, as \$125,000 thereof arose out of sales of remainders of various lots of securities, the other portions of which had been previously sold at a profit exceeding the loss on the remainder. * * *

There are other features in the work of the finance committee of which mention should be made. Until within recent years there have been five classes of investments for insurance funds apart from policy loans, viz.: Office buildings in various cities; loans on real estate; temporary loans on stocks and bonds; investments in stocks, and investments in government, State, county, municipal, railway and other bonds. As far back as 1892 the policy of erecting office buildings was discontinued, and the real estate holdings of the company, out of its total assets of over \$400,000,000, amount to less than \$14,000,000, of which amount \$12,000,000 is represented in the home office building and annex in this city and domestic and foreign office buildings. In 1899 the by-laws were amended to prohibit investments in, and loans upon, corporate stocks, and to provide for the gradual disposition of the stocks owned by the company, a restriction and provision applied by the recent legislation to all life insurance companies. By the end of the year 1901 these stocks had been sold or arrangements had been made for their disposition. The stocks it has acquired since came to it in connection with participations in syndicates primarily formed for the disposition of bond issues. Its investments since 1899 have been principally confined to bonds of the various kinds mentioned, of which there was on hand on December 31, 1905, a total of \$323,844,150.29. The committee has furthermore pursued the policy of purchasing bonds with long periods to run to guard against a permanent fall in the rate of interest payable on the best investment securities, and it has preferred bonds dealt in on the stock exchanges of the principal financial centers so that they would always be readily marketable and their value at any time easily ascertainable. In the year 1895 the company owned \$102,802,293.27 of bonds averaging thirty-five years to run. By the end of 1905, through carefully selected purchases and sales, the amount of bonds had increased from \$102,802,293.27 to \$323,844,150.29, and the average period during which they have to run, from thirty-five to nearly fifty years. It is doubtful whether such a list of bonds as the company now owns could be duplicated.

These results have been attained by the foresight, close attention to its duties, and enlightened policy of the finance committee.

No member of the finance committee has, directly or indirectly, pecuniarily participated in, or profited by, the transactions of the committee.

THE CONDUCT OF THE BUSINESS OF THE COMPANY.

The history of the company for many years past has been one of continuous growth and development. Taking the last ten years as an illustration, it appears that its total insurance outstanding at the end of the year 1896 was \$826,816,648 and at the end of the year 1905, \$2,061,593,886, that in 1896 it wrote \$121,564,987 of new insurance and in 1905 \$296,640,854, that its total income from all sources was in 1896 \$39,139,558, and in 1905, \$103,432,590.98; and that its total payments to policyholders amounted in 1896 to \$18,483,620 and in 1905 to \$40,262,039. It had outstanding at the end of 1905 1,001,269 policies as compared with 299,785 in 1896. This continuous growth has necessitated constant extensions and modifications of the working organization of the company, and it is as it exists to-day the product of experience and the actual requirements of the business. * * *

DEPARTMENTAL WORK.

Your committee must limit itself with respect to this work to reporting generally that it is well and effectively organized; that no department is over-manned; that the method of selecting employees is based on merit and fitness and excludes favoritism; that the salaries, wages and rates of compensation are reasonable and proper; that the heads of divisions are competent, zealous and intelligent; that there is effective supervision and direction; that new methods are constantly being devised and applied to simplify the work, ensure accuracy and despatch, and effect economies; and that there are no wasteful or extravagant methods. To give the details supporting these conclusions would extend this report to an unreasonable length. Many matters are deserving of specific mention (for instance the extraordinary work of the medical department in devising and perfecting a scientific system of valuing and classifying risks based on all the conditions which affect mortality instead of a fraction of them, thereby beneficently extending the sphere of insurable risks, and the constant introduction of methods, instrumentalities and devices to perform the work of a rapidly growing business without corresponding augmentations of the force employed); but they must be passed over. The main thing is not so much a matter of particulars as whether the departmental work as a whole has been intelligently systematized and honestly and economically done. That it has is the unequivocal conclusion of your committee, which is confirmed by the opinion of the accountants expressed in their final report "that the general scheme of the company's organization is thoroughly sound and practical."

During the past ten or twelve years the company has gradually abandoned what is known as the general agency system, under which general agents manage the business of the company in their respective territories; employ and pay the soliciting agents; collect the premiums; and remit to the home office the funds in their hands monthly, less their commissions and allowances. The objections to that system are its expense, and the power and control of the general agents over the agency force. The system gradually worked out by the officers of the company as a substitute is the establishment of a branch office at every important center of business in charge of a salaried agency director and a bonded salaried cashier, to which are attached the soliciting agents in the district assigned to the office who are under direct contract with the company. The soliciting agents are under the direction of the agency director. The cashier collects the premiums in his district, deposits daily in a local bank designated by the finance committee in the name of the company and subject only to the draft of the treasurer, his collections, less what is necessary for the current account for the payment of office expenses and agents' commissions; and reports daily to the home office. The merits and advantages of this system are obvious. The soliciting agents are the agents of the company and in direct relations with it. Their attachment is to it, and not to a general agent who may leave the service of the company. The collections in each locality are drawn weekly into the treasury by drafts of the treasurer, where they are at once available for use, deposit or investment. Its efficiency as a collecting system is shown by the fact that during the past ten years there has been collected from a large number of centers all over the world the sum of about \$550,000,000, with an aggregate net loss from defalcations of not to exceed \$50,000. The daily report brings to the notice of the officials at the home office the condition of affairs at each branch office and thereby subjects them to direct scrutiny and supervision. In brief, through the branch office system, the company is a single and complete organism with a centralized administration reaching, controlling and regulating every phase and detail of the business everywhere.

The expenses of running the branch offices, including rent and the salaries of the agency director and cashier, are a fixed charge of the business. The soliciting agents are paid by a commission on the first year's premiums and a conditional commission on one renewal. Additional compensation of a minor amount has been earned by agency directors and soliciting agents through membership in one of various associations which is ultimately dependent upon the amount of new and persistent business written. * * *

It seems an indisputable proposition to your committee that the branch office system, with its expenses as a fixed charge and commissions confined almost exclusively to the soliciting agent's percentage of the first year's premiums and of a single renewal is, in the long run a more economical method, and therefore more beneficial to the policyholders, than the system of general agencies with its large percentage of the first year's premiums and a smaller percentage of the renewal premiums for a long period of years and other allowances, and its relative independence of the company. To have originated and organized it is a marked achievement of the executive officers of the company, and it is to be hoped that the necessary adjustments can be made to adapt it to the restrictions of the legislation of the last session of the legislature without impairing its efficiency. Your committee very urgently recommends that every effort be made to preserve and maintain it in its integrity.

EXPENSES.

From the account submitted by the accountants it appears that the total income for the year 1905 was the sum of \$103,432,590.98, of which \$85,661,842.54 was the premium income; and that the total expense of conducting the business was the sum of \$18,114,621.21, made up of the following items: Commissions, \$8,107,828.12; agency expenses, \$5,395,875.92; administration and general expenses, \$3,591,865.28; insurance taxes, \$1,019,051.88. By the recent legislation the annual expenses are limited to the actual loadings upon premiums received during the year and the value of the assumed mortality gains therein specified. The expenses for the year 1905 were well within this statutory limit.

Furthermore, the fact that the total expenses of conducting the business for the year 1905, after deducting the amount paid for insurance taxes and investment expenses, were 19.95 per cent of the premium income for the year is evidence of economical management, considering the large volume of new insurance issued, and is characterized by the accountants as "eminently satisfactory" and as showing that the "efficiency of the company" is "at least as great as the best domestic companies."

Moreover, the investigations of the committee into the particular subdivisions of expenditures both at the home and branch offices showed close supervision and watchfulness at every point to keep expenditure within reasonable and proper limits. Stress has been laid in the investigations and discussions of the past year on the great cost of new business. This cost is a fundamental and inevitable condition of the business. The payment of salaries to soliciting agents is impracticable, and if it were not it would increase rather than reduce the expense. Necessarily then a considerable commission has to be paid on the first premium, to which has to be added to ascertain the total cost, in the case of the New York Life, the proper proportion of the home office and branch office expenses attributable to the acquisition of new business, and in the case of other companies the same proportion of the home office expenses and the commuted value of the commissions on renewals over a long period of years. This latter sum under the most favorable conditions is not far short of the amount of the first premium, and with some companies more. The initial outlay in the case of the New York Life is soon redressed in the case of persistent policies out of the loading on the renewal premiums, and is fully balanced in the case of non-persisting policies by their lapse. The cost, therefore, of new business which at first glance seems disproportionate and burdensome is an essential condition of the business and is provided for, to preserve a just balance between all classes of policyholders in the premium loading in the years of the policy after the first as well as the first. Of course, new business may be acquired at an unduly excessive cost, which is quite a different matter from its acquisition at its normal cost, though the two have been and are apt to be confounded.

The position taken by the legislative investigating committee is that there has been, as it were, an overproduction of insurance; in other words, that the rivalry between the companies has led to the writing of insurance that was not really wanted and that was soon dropped, and that the cost of this short-lived insurance is a burden on the resources of a company and detrimental to the main body of its policyholders. The remedy provided by the recent legislation is a limitation of the expense of acquiring new business and a limitation of the new business which a company may write in any year. This is the inauguration of an entirely new policy. Whether in view of the commissions allowed on renewals for a considerable period of years the normal cost of new business will be reduced is not at all clear. But it is not the function of this committee to examine into the merits of this legislation or to anticipate its effects. It has performed its duty when it has determined whether the conduct of the business of the company has been lavish or extravagant in any of its branches, including the acquisition of new business. Its conclusion is that it has been conducted economically and in accordance with sound and legitimate methods. Though the officers of the company have been alert and energetic in increasing its business from year to year, there is no evidence that they have obtained it at an unduly excessive expense, or procured the writing of insurance that there was reason to believe would lapse at an early day, or disregarded in any degree the rights and interests of any class of its policyholders. Whether the limitations of the new legislation will result in greater benefits to the policyholders, time alone will tell. If they do the good faith of the methods which they supersede is not thereby impugned.

The provisions of the new legislation limiting the amount of new business the company may do in any year to \$150,000,000 compels an immediate reorganization of the working force of the company. That force slowly built up and organized is now adapted to an annual new business of \$300,000,000 and over. To cut the amount that may be done in two necessarily involves a reorganization of every branch of the force on a smaller scale. That trying and difficult task is already in process of execution in a manner to cause as little personal hardship to faithful agents and employees and injury to the company as is possible.

THE FOREIGN BUSINESS OF THE COMPANY.

In this connection your committee considered the foreign business of the company to determine whether it should be continued. Its conclusion is strongly in favor of maintaining this business as a general policy. There will, no doubt, be withdrawals from particular regions in the future as in the past, due to unsettled conditions, arbitrary exactions, excessive expenses, or unsatisfactory mortality. But that the foreign business as a whole is a benefit and source of strength, the facts very clearly establish. Dividing that business into two departments—one consisting of the countries of Europe and Africa, which report to the main office in Paris, and the other consisting of Canada, South America, Australia and the Orient, which report to the home office—there was in force at the end of 1905 in the former \$381,368,469 of insurance producing during the year a total of \$17,271,500 in premiums; and in the latter \$155,446,939 of insurance producing during the year \$6,660,230 in premiums. The business of both was done at an expense sufficiently below the company's general rate to leave a balance for contribution to the home office expenses in an amount as much as their fair proportion. The mortality results as a whole are as favorable as those in this country. The considerations therefore in favor of the foreign business are that its expense is about the average; that its mortality results are the same; and that as a matter of policy the widest possible distribution of risks under favorable conditions is the most desirable. The committee, therefore, recommends that the foreign business of the company be maintained, with the suggestion that, because of the statutory limitation on the amount of business the company may do, it be thoroughly and critically analyzed with a view to retiring for regions where the results are least favorable and promising.

DEFERRED DIVIDEND POLICIES.

There has been much discussion during the past year of the deferred dividend form of insurance, in which widely divergent opinions were expressed as to its merits. As the recent legislation provides with respect to all policies issued after the first day of January next that there shall be an equitable apportionment to them annually of the surplus in

which they are entitled to share, to be paid over, or applied to the payment of premiums or to the purchase of additional paid-up insurance at the election of the policyholder, and thus abolished deferred dividend insurance excepting as the policyholder may allow his annual dividends to remain with the company, it would serve no useful purpose to include a consideration of the subject in this report.

VARIOUS MISCELLANEOUS MATTERS.

The committee does not deem it necessary to take up seriatim the various matters pertaining to the company discussed in the report of the legislative investigating committee and the report of the Commissioners of the five States. Many of them have been covered by the special reports hereinbefore mentioned and by what has already been said in this report. Other matters pertaining to financial methods and policies need little or no consideration because of the restrictions and prohibitions of the recent legislation. Participations in syndicates and purchases and sales of securities on joint account are now absolutely prohibited. Syndicate participations were a source of large profits to the company and a means of obtaining desirable investment securities at the lowest price. They were never used for the profit or advantage of individuals directly or indirectly. Transactions on joint account were a temporary expedient from time to time, either to cheapen the cost of investment or to realize the utmost possible amount from securities which the company desired to sell rather than to hold—and the record shows that the company's purpose was almost uniformly achieved. The form that other transactions took has also been criticised, as for instance, sales made with the help of loans by the company to the purchaser, the company reserving the right to share to the extent of a fixed percentage in the amount ultimately realized by the purchaser over and above the purchase price; but it is not disputed that the only motive of these transactions was to benefit the company, and that in almost every case it did benefit thereby. It was not the object of any of these transactions to benefit others at the expense of the company; and any benefit to others, such as the brokers who carried them through, was merely incidental to the larger benefit to the company, and no more than a fair compensation for their services. Investments in, and loans on, corporate stocks now prohibited by law were discontinued by the company some years ago. There has been criticism of the bookkeeping entries respecting various transactions, which in some instances was well founded; but changes already made by the company and others suggested by the accountants assure, in the future, accuracy and conformity with approved bookkeeping methods in bookkeeping transactions. Payments of money on executive order alone have been discontinued. For every payment there must be a voucher. And every voucher now shows to whom and on what account the payment it concerns was made. Attention was also called to the amount of cash balances carried by the company with banks and trust companies, and these have been reduced to a reasonable and practicable minimum.

Your committee is not aware of any defects in the methods and system of the company which have been revealed by the searching investigations of the past year, or practices that have been disapproved, that have not been, or are not being, corrected or discontinued; and the suggestions of the accountants contained in their final report are herewith submitted for the consideration and action of the board. The committee recommends that accountants be employed from time to time to examine the affairs and methods of the company, to the end that there may be an independent audit and that its system of accounting shall conform to the most advanced and approved standards. * * *

Assurance Affairs in Great Britain.

[FROM OUR LONDON CORRESPONDENT.]

I hear that the Equitable Life has ceased to operate in Australia and South Africa, and that it has also closed its Irish branch offices and those in Liverpool and Manchester. Its late manager for Manchester, H. Jesson Bryceson, who has been with the society some eighteen years, has severed his connection therewith and become associated with the Norwich Union Life.

In a circular to its agents, issued a few days ago, the Alliance Assurance Company says: "The expenses charged to the life account of the Alliance are strictly limited to ten per cent of the net premiums received, being about fifteen and a half per cent less than the average expenses of the American life offices operating in this country." This question of expense ratio is clearly one to which American offices operating here should give their most careful attention at this time.

I referred last week to the San Francisco disaster and its effect upon the "tariff" fire offices here. This week it is announced that one of the largest "non-tariff" offices—the National Union of Bedford—has arranged to transfer its entire British fire and accident business to the well-known London and Lancashire fire. The "National Union" was established in 1894, has a paid-up capital of £84,000, and an annual premium income, as shown by its last accounts, of £70,000. I am unable to say to what extent this society is interested in San Francisco losses—if at all—but further information will shortly be forthcoming.

Not only in Great Britain is the subject of American life assurance exercising the public mind, the Colonies are following suit. The latest news received here is to the effect that the Federal Governments insurance companies bill, which is to be introduced in Parliament, makes provision for the protection of the interests of Australians having policies in foreign life insurance companies. It is said to be likely that

foreign insurance companies will be compelled to hold a certain proportion of their assets in Australia and to vest those assets in local trustees. The companies may also have to submit to some amount of Government control as to their business methods.

The Continental Casualty of Chicago, which opened a London office only so recently as January last, has announced that it has transferred its British business to the Accident Insurance Company as from the first ultimo. It is thought here that the life assurance "revelations" have had the effect of making it difficult for American offices generally to secure new business at the present time.

The decision of the Court of Appeal has now been given in the important case of *Horncastle vs. the Equitable Life of the United States*. This case was first tried by Justice Walton and a special jury early in May of this year. The plaintiff is a well known advertising agent in Cheapside and a member of the common council of the city of London. In December, 1890, he effected a fifteen-year endowment policy for £5000, with deferred bonuses under the semi-tontine plan.

The plaintiff's case was that, at the time the insurance was effected the company's superintendent, with whom the matter was negotiated, guaranteed that the minimum amount of the profits payable thereunder would be £2390 and furnished him with a memorandum containing these figures. The policy matured in January last and showed a result of £6106, which plaintiff refused to accept and sued for the recovery of the sum of £2390, above mentioned—the capital sum of £5000 having already been received by him by way of loan. Judgment was, in the lower courts, given for the society, with costs, upon the ground that oral evidence could not be admitted as forming any part of the agreement, leave to appeal being given. This judgment has now been upheld and the appeal dismissed upon the following grounds: 1. That the terms of the contract between the parties was contained within the four corners of the policy, and that the contract could not be taken to be modified by the parole agreement containing different terms—the policy providing for the payment at maturity of a certain sum calculated in a certain way. 2. That it was a condition of the policy (clause 11) that neither party would allege that the whole of the terms of the contract between them were not contained in the policy, and that this clause was intended to guard against such an agreement as that now set up.

London, E. C., August 20.

CHARTERS.

Life Insurance Developments of the Week.

A story was given currency last week that the management of the Mutual Life was cognizant of a movement to oppose the ticket to be put forth through the medium of the International Policyholders Committee by means of another committee of its own policyholders. Officers of the Mutual deny all knowledge of the matter, and the story is in all probability but another phase of the campaign of misrepresentation inaugurated by the self-advertised policyholders committee.

Governor Higgins has ordered an extraordinary term of the Appellate Division of the Supreme Court for Wednesday, August 29, to hear the appeal from the decision of Judge Howard relative to the removal of names from the administration ticket of the Mutual Life.

The New York Life has replied to Superintendent Kelsey denying that its agents have been collecting blank proxies for the forthcoming election.

German policyholders of the Mutual and New York Life, at a meeting on August 25, decided to advocate the election to the boards of those companies of two Germans resident in New York. A number of prominent Germans assured the meeting that there was absolutely no ground for uneasiness and that the companies were on a solid basis. It was stated that the New York Life had 12,200 policyholders in Germany, while the Mutual had between 6000 and 7000.

For Standard Policy Forms.

The committee on insurance has made a report to the national commission on uniform laws which met in St. Paul last week. The report recites the history of the Ames and Armstrong bills of New York, and points out that they are imperfect and subject to amendment. Continuing, the report reads:

On certain points there seems to be agreement on the part of all who have investigated the subject, whether committee or legislature, as to the need of remedial legislation, and what that legislation should be, and among those points of agreement is the need of standard forms of life insurance policy. This suggests the inquiry, "Why if standard forms of policies in life insurance are needed there is not also an equal need of standard forms of policy in fire insurance?" And your committee is of the opinion that such need exists and may properly be considered as a feature of a uniform law on fire insurance when the time comes for our conference to take up that subject. This view is confirmed

by an examination of the many complicated and conflicting forms of fire insurance policies now in use, as well as by an examination of the forms of policy in use in comparatively few States which have prescribed the so-called standard policies.

New Insurance Laws in Effect September 1.

Several new laws will go into effect next Saturday, among them the three penal code amendments recommended by the Armstrong insurance investigating committee. These amendments provide:

That in any prosecution for perjury the falsity of a statement set forth in an indictment shall be presumptively established by proof that the defendant has testified under oath to the contrary in any other written testimony.

That any person who receives any rebate or valuable thing as an inducement to take a life insurance policy, not specified in the policy, is guilty of misdemeanor.

That any insurance officer or employee who makes or concurs in a false entry or omits or concurs in omitting any such statement shall be guilty of a misdemeanor.

—At a recent meeting of the Dominion Life of Waterloo, Ont., P. H. Roos was appointed treasurer of the company, and J. B. Hall was made secretary.

—The National Fraternal Congress and Associated Fraternities of America, which have recently held conventions in Detroit, voted unanimously to amalgamate under the name of the International Fraternal Congress.

—The Mutual Reserve Life announces that during the first six months of 1906, its net surplus was augmented by the addition of \$41,696. As its surplus on December 31 last stood at \$71,646, a gain of 58.2 per cent is shown in six months.

—The Associated Fraternities of America, in session at Detroit, Mich., adopted a resolution pledging the association to fight any attempt in any of the State Legislatures which meet next winter to pass a minimum rate bill. A resolution was also adopted advocating a fraternal tuberculosis sanitarium at Las Vegas, N. M.

—William A. Morse, Boston counsel for the New York Life, has caused the arrest of Mrs. Mary A. Tennyson and Dennis Griffin, her brother, of 268 Commercial street, Boston, for forgery in connection with an application for life insurance, by substituting the name of Griffin on the application for that of the person assured, and for substituting Griffin for the applicant in the medical examination, the assured being a sufferer from pulmonary tuberculosis.

—The September Century covers a wide range of subjects, among which should be mentioned: "Getting Into Khiva," Part I, Langdon Warner; "The Gates of the Hudson," Charles M. Skinner; "Down on the Labrador," Gustav Kobbe; "The Gladiators," Dorothea Deakin; "A Religion nearly Three Thousand Years Old," the so-called Persian fire-worshippers of Yezd, A. V. Williams Jackson; "Behind the Scenes: The Hit—The Failure—Stage Fright—The Amateur," drawings in tint, Troy and Margaret Kinney; "The Descent of Blanche," (A "Sexton Maginnis" story), Maurice Francis Egan; "The Agricultural College and the Farm Youth," L. H. Bailey; "Seeing France With Uncle John," Anne Warner; "Running Water," A. E. W. Mason; "Cole's Engravings of Old Spanish Masters, The Spinners, by Velasquez," Timothy Cole; "The Negro Brain," Robert Bennett Bean.

Casualty, Surety and Miscellaneous

Board of Casualty and Surety Underwriters Appoints Committee.

The executive committee of the Board of Casualty and Surety Underwriters has appointed William T. Woods of the Lloyds Plate Glass, chairman; Edson S. Lott of the United States Casualty, and J. Frank Supplee of the United States Fidelity and Guaranty, a committee to select a place and make arrangements, including the programme for the annual meeting of the board, to be held October 16, 17. Papers covering the following named subjects have or are being prepared by committees, to be submitted at the meeting: "Compulsory Advertising," William F. Moore, chairman; "Privilege Taxes, License Fees, State, County and Municipal," R. S. Keeler, chairman; "Departmental Examinations and Exactions," William Bro Smith, chairman; "Standard Policy Form Not a Proper Subject for Legislation," George F. Seward, chairman.

Officers Resign from United Surety.

On August 25, a special meeting of the directors of the United Surety Company was held in Baltimore, and there was a wholesale resignation of officers, owing, it is said, to "a little family quarrel." None of the resignations have been accepted, but another meeting will be held soon, at which they will be considered. The meeting of Saturday extended far into the night, and it is said that the resignation of Olin Bryan, as presi-

dent, will be accepted, while the other officers will be asked to remain in the company. Samuel C. Shriver, who has held various connections with surety companies, has been spoken of as the probable successor of Mr. Bryan, and Bernard N. Baker was mentioned in this connection, but is said to have refused the office. The directors assert that the present trouble will soon be settled and will have no serious effect upon the company's prospects.

Casualty Notes.

—The London Guarantee and Accident is contemplating the issuance of an accident and health policy. Heretofore the company has not written health business in this country.

—Thomas E. Malcom, superintendent of the Metropolitan district of New York city and assistant manager of the liability department of the United States Casualty Company, has resigned.

—The Bankers Insurance Company is being organized in Minneapolis, Minn., to write bank burglary insurance only. It is to have \$150,000 capital and \$50,000 surplus, and will write only banks and banking firms using the alarm system of the American Bank Protection Company. The officers of the proposed insurance company are the officers and directors of the protection company.

—The general agency arrangement between the Ocean Accident and Guarantee Corporation and Godechaux, Shelby & Mioton of New Orleans has been terminated. The successor of this firm has not been definitely decided upon, but as A. Duncan Reid, executive superintendent of the Ocean, will visit New Orleans in the course of the next two weeks, new general agency arrangements will, no doubt, be effected by him.

—On motion of Attorney-General Young, Judge Orr has filed an order in the District Court at St. Paul in the case of the State of Minnesota ex rel Insurance Commissioner O'Brien, against the Minnesota Casualty Company, directing the defendant to show cause why a receiver should not be appointed. The company has been notified to cease issuing policies and to keep its funds intact. The order is returnable September 6. It is alleged that since January, 1900, the company has paid its members \$24,893 and has used for expenses \$54,372. It is also claimed that the company has not provided the reserve required by law. A representative of the company states that this shortage in reserve is only \$3800, and the amount will be made up before the hearing is held.

—The Great Eastern Casualty has recently, at its own request, and in behalf of the Massachusetts Insurance Department, been examined by the eminent actuary, S. Herbert Wolfe. He reports to that Department that on June 30, 1906, the liabilities were considerably smaller, and the assets and surplus larger than the company with its usual conservatism claimed, the surplus for the protection of policyholders being \$288,310.97. He concludes as follows: "The foregoing financial statement represents a healthy condition of affairs. The company settles its claims promptly, and in its treatment of policyholders is as liberal as is consistent with good business policy. The small number of litigated claims indicates that the company resorts to this method only when all other efforts are unavailable. The prompt compliance with my demands for facts and records, upon the part of the officers, as well as the character of the securities, rendered the work of examination easy."

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Allemannia Fire Insurance Company, Pittsburg, Pa.

Semi-annual statement, July 1, 1906: Assets, \$870,214; reinsurance reserve, \$413,280; net surplus, \$209,139.

Agricultural Insurance Company, Watertown, N. Y.

Semi-annual statement, July 1, 1906: Assets, \$3,095,673; reinsurance reserve, \$1,402,323; net surplus, \$386,895.

British General Insurance Company, Ltd., London, England.

This company was organized in 1904, and the latest available report upon it shows a nominal capital of £50,000, of which £26,780 were subscribed and £7670 paid in. It is authorized to write fire, accident, burglary, plate glass and various forms of liability insurance at home, and is understood to be writing surplus fire insurance risks in the United States, without being licensed by any State Insurance Department. Norman M. Walker is general manager and secretary of the company, and Alex. Ramsey is its assistant manager. C. P. Wurts of Chicago advises us that he is able to procure policies of this company, but not to bind the company until receipt of cable acceptance.

Connecticut Insurance Company, Hartford.

Semi-annual statement, July 1, 1906: Assets, \$6,195,224; net surplus, \$818,673.

Delaware Insurance Company, Philadelphia.

The net addition to the surplus of this company by rearrangement of its capital and the sale of new stock will be \$562,300. The proposed reduction of capital from \$702,875 to \$281,150 has been approved by the stockholders as has also a proposition to increase the capital to \$421,720 following the reduction.

Eagle Fire Company, New York.

Semi-annual statement, July 1, 1906: Assets, \$1,325,012; reinsurance reserve, \$342,302; net surplus, \$150,954.

German Fire Insurance Company of Indiana, Indianapolis.

This company's semi-annual statement as of July 1, 1906, shows assets amounting to \$532,278, and a net surplus of \$126,292.

Glens Falls Insurance Company, Glens Falls, N. Y.

Semi-annual statement, July 1, 1906: Assets, \$4,299,411; net surplus, \$1,715,282.

Home Insurance Company, New York.

Semi-annual statement, July 1, 1906: Assets, \$21,258,204; reinsurance reserve, \$7,814,335; net surplus, \$6,861,426.

Jefferson Fire Insurance Company, Philadelphia, Pa.

Semi-annual statement, July 1, 1906: Assets, \$797,629; reinsurance reserve, \$234,898; net surplus, \$269,311.

Law Fidelity and General Insurance Corporation, Ltd., London, England.

As of December 31, 1905, this company's balance sheet shows £34,227 of assets as follows: £1000 consols, £894; stocks and shares in public companies, £6180; mortgage on freehold property, £5000; cash at bank on current accounts, £1017; cash at head office and branches, £40; amount on deposit with treaty company, £7461; branch and agents' balances, less commission, £895; net due from other companies, £10,385; sundry debtors, £298; office furniture (less depreciation), £787; revenue suspense account £1270. The capital subscribed is £72,035, of which £20,000 have been paid in on various classes of stock, leaving an uncalled balance (not included in assets) of £52,035. Liabilities included £694 due sundry creditors and £12,307 reserved for outstanding claims, leaving a balance of £1226 subject to unexpired risks, no specific provision being made for unearned premiums. As the net premiums for 1905 were £43,462, ordinary American practice would indicate a required premium reserve of over £20,000. The directors recommended, at the recent annual meeting, that the company's direct business, which had proved unprofitable, be transferred to the General Accident, Fire and Life Assurance Corporation, Ltd. In 1905, the company's net premiums aggregated £43,462, and its total income (including appreciation of securities) was £45,000. Losses amounted to £25,508 (net), and expenses and commissions required £18,283.

Merchants Fire Insurance Company, Little Rock, Ark.

Johnson & Cotnam of Little Rock, general agents for the above-named company, advise us that its authorized capital is \$200,000, and that \$50,000 capital and \$12,500 surplus have been paid in, both capital and surplus being on deposit with W. B. Worthen Company, bankers. The company's officers are: President, C. J. Kramer; secretary, F. T. Longley. Its directors are: C. J. Kramer, Leo Pfeifer, Ike Kempner, F. B. Gregg, T. T. Cotnam, J. W. House and M. H. Johnson. The general agents have entire charge of the underwriting.

Mill Owners Mutual Fire Insurance Company of Iowa, Des Moines, Iowa.

On June 30, 1906, this company's semi-annual statement showed that it possessed assets, exclusive of \$249,922 of deposit notes, amounting to \$224,521, made up as follows: Mortgage loans, \$180,957; interest accrued, \$2335; cash, \$41,229. There were \$4000 of losses adjusted, but not due, and other losses reported which were estimated at \$2500. Since organization this company has received from all sources the sum of \$1,781,302, which is accounted for as follows: Losses, \$1,179,098; expenses, \$288,057; guaranty deposits returned, \$94,886; entrance fees returned, \$75; real estate loans, \$180,957; cash on hand, \$41,229.

New Hampshire Fire Insurance Company, Manchester, N. H.

Semi-annual statement, July 1, 1906: Assets, \$4,525,139; reinsurance reserve, \$1,705,397; net surplus, \$1,060,849.

New State Fire Insurance Company, South McAlester, I. T.

H. F. George has resigned as secretary of this company and is succeeded by Leighton E. Worthley.

This company's statement dated July 31, 1906, shows assets amounting to \$129,809, as follows: Cash and premium notes, \$27,701; stocks and bonds, \$99,616; office furniture, fixtures and supplies, \$2492. The capital paid in is given as \$112,216; liabilities on current accounts as \$200, and net surplus as \$17,393. The printed statement gave no further details as to the company's investments.

New York and New England Underwriters, New York.

Richard J. Dunphy, general agent, sends out a "statement" of this Lloyds which reads as follows:

Premiums written since March 31, 1906, to July 2, 1906.....	\$15,759.60
Cancellations	1,240.25
Net	\$14,519.35
Ten underwriters at \$2500.....	25,000.00

Total assets for protection policyholders..... \$39,510.35

Of this amount \$8,298.04 is business written in New York city. No losses reported. This company was not interested in the San Francisco fire."

The above "statement" does not mention the amount of cash or other assets actually in hand and available for the payment of losses. The premiums above mentioned represent about three months' business, or less than \$5000 per month. Assuming that one-third, or even one-half, of the premiums had been collected, the deduction of commissions and office expenses, even if there were no losses, would not leave any great sum remaining. It would evidently require but a relatively small amount of losses to exhaust its cash balance, and if the underwriters were all able and willing to pay the amount of their subscriptions, and all outstanding premiums were collectible, the protection afforded policyholders would, according to the above statement, still be less than one-fifth of the minimum amount of capital required of a fire insurance corporation in New York State.

Although the "statement" conveys the information that about \$8300 of premiums were written in New York city in April, May and June, the report of the treasurer of the New York Board of Fire Underwriters, showing the premium receipts reported by the respective companies in the first six months of 1906, for the purpose of fire patrol support, contains the name of the New York and New England Underwriters, but without any figures opposite to it representing its business in New York.

Pennsylvania Fire Insurance Company, Philadelphia.

Semi-annual statement, July 1, 1906: Assets, \$7,137,726; reinsurance reserve, \$3,482,586; net surplus, \$787,281.

Phenix Insurance Company, Brooklyn, N. Y.

Semi-annual statement, July 1, 1906: Assets, \$9,141,546; reinsurance reserve, \$5,276,275; net surplus, \$665,727.

Springfield Fire and Marine Insurance Company, Springfield, Mass.

The semi-annual statement of this company, dated June 30, 1906, shows assets aggregating \$7,337,875, with liabilities as follows: Capital, \$2,000,000; losses unpaid (including those incurred in the San Francisco conflagration), \$1,617,115; reinsurance reserve, \$2,985,133. The net surplus is \$735,627, and the surplus as to policyholders \$2,735,627.

Swiss Reinsurance Company, Zurich, Switzerland.

Assets, December 31, 1905, \$8,499,848; capital, \$1,600,000 (including \$1,200,000 notes); credit balance, \$57,517.

Teutonia Fire Insurance Company, Allegheny, Pa.

Semi-annual statement, July 1, 1906: Assets, \$665,125; reinsurance reserve, \$210,924; net surplus, \$245,700.

Union Fire Insurance Company, Paris, France.

Omitting \$19,903,508 of premiums to be received in future years, and \$3,037,596 of reinsurance for future years, the assets, December 31, 1905, were \$6,708,042; capital, \$2,000,000 (including \$1,500,000 notes); capital reserve, \$600,000; contingent reserve, \$1,240,000; premium reserve, \$1,076,000; unpaid dividends, \$294,480; credit balance, \$102,806.

Urbaine Fire Insurance Company, Paris, France.

Assets, December 31, 1905 (omitting \$12,779,938 of premiums to be received in future years), \$4,401,219; capital, \$1,000,000; capital reserve, \$600,000; premium reserve, \$778,240; contingent reserve, \$340,000; real estate reserve, \$100,000; unpaid dividends, \$229,166; credit balance, \$48,522.

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No. 10.

PROTECTION FOR NEW YORK CONGESTED DISTRICTS.

IN a recent number of The Water and Gas Review, Col. B. S. Church, an engineer of broad experience and who is thoroughly familiar with water supply conditions in New York city, directs attention to the imminent conflagration risk in New York ascribable to insufficient water pressure, and suggests remedies which he deems feasible. He recommends the metering of all premises, in order to reduce waste, and the installation of more pipe-mains containing automatic gates, which will operate so as to maintain normal pressure to as many hydrants as it may be necessary to use in the district controlled by such gates. While recognizing the utility of the fire-boats and their hose lines, and recommending their further development, Col. Church does not advocate the installation of salt water pipe and hydrant systems, claiming that their cost would be exceedingly heavy, and that all the water and pressure necessary for fire purposes can be obtained through the existing fresh water system, with modifications as suggested. He warns the public that the conditions are now ripe for a conflagration in New York which would rival the one at San Francisco, and says that "provision for immediate increase of the fire protection secured from the now existing water supply is more vital and urgent than any other matter relating to the city's affairs. * * *

Although the higher officials must be cognizant of the present state of affairs it is perfectly evident that they do not comprehend the significance of this phase of the water question. How to arouse them to a realization of their responsibility in the matter is the main obstacle to surmount."

* * * * *

Although Colonel Church apparently disapproves of the plan for protecting congested districts down town, by means of a system of salt-water, high-pressure pipes, drawing their supplies from the East and North rivers, such an auxiliary system has been arranged for and work upon it is now well under way. THE SPECTATOR has long advocated such a protective system to supplement the existing fresh water supply,

as it seems to offer additional advantages well worth the expense. In the first place, it taps an inexhaustible source, which is a great desideratum. Again, it is not subject to so many possibilities of cessation of supply due to breakage or stoppage of mains, etc., as is the case where water is brought from a great distance. The present undertaking contemplates the erection of two fireproof pumping stations—one at Gansevoort and West streets and one at Oliver and South streets. The first will be supplied by eight pipes carrying fresh water, and ranging in diameter from 20 to 36 inches; and the second will have six fresh water and two salt water pipes. These pumping stations will have a daily capacity of 43,000,000 gallons, and when the system is completed it will be possible to concentrate sixty powerful streams of water on any block within the protected district, which comprises a good portion of the section bounded by the East and North rivers, Park place and Twenty-fifth street. Although the fresh water supply should be sufficient to enable the fire department to control any ordinary fire, it will give fire underwriters, as well as propertyowners in the congested district, a feeling of additional security to know that the water of the two rivers is instantly available for an emergency.

A PLEA FOR THE WEAKENED COMPANIES.

THE anticipated shortage in the supply of fire insurance is already beginning to show signs of its approach, one being the increasing demand for surplus line insurance. While several new fire insurance companies have been organized in the last few months, they are manifestly unable to make up for the loss in writing capacity due to the retirements and the reductions in reinsurance facilities following the San Francisco disaster. In these circumstances, and with the prospect of more remunerative premium rates being the rule for a few years, at least, both stockholders and policyholders should be interested in helping weakened but honest institutions to tide over the catastrophe which has all but overwhelmed them. In San Francisco, especially, business houses expecting to require fire insurance in future would do well to meet half way the companies which are struggling to maintain their existence, following an almost mortal blow—in fact, it is likely that such a policy would yield as much in the way of indemnity for conflagration losses as would a more grasping and exacting course of procedure; for if the stricken companies can effect settlements upon a reasonable basis, their stockholders would feel encouraged to pay in additional funds, with a view to recouping their losses, while if creditors are disinclined to accept reasonable settlements, the stockholders may simply leave the companies' remaining assets to the creditors, and keep their private funds in their pockets. Many of the strong companies have already paid nearly all of their San Francisco losses—and "dollar for dollar," as adjusted, despite all the newspaper talk about "welchers"—so that a considerable proportion of the losses remaining to be paid are owing by the smaller companies which have not denied liability. As the difference between the considerate course and that which demands the last ounce of the pound of flesh, is so comparatively trifling, financially speaking, it is hoped that the insured and the weaker fire insurance com-

panies may meet upon a basis which will result in the continuance of such companies as live factors in the insurance and business world.

What is wanted is that the schoolhouse and the press, the universal educators, shall take up the matter, not in the interests of companies or their agents, but in that of the public and its coming generations. The companies have nothing to fear but everything to hope from the most thorough discussion of their plans and the exposure of all the details of their management.

THE above was written by Elizur Wright, the distinguished actuary, in 1872, but it is only within the past few years that our colleges have entered upon the course of instruction that he recommended. Public interest has been very much aroused of late in the subject of life insurance, and it is probable that greater attention will be paid to it in the schoolhouse and the press in the future. There has been a wide discussion of the plans of companies, and an exposure of the details of the management of some of them that shocked the public sense of propriety, and resulted in the dethronement of some men who were previously regarded as kings in the business. But out of all the scandals of the past year there has not been developed anything discrediting the system of life insurance. Men may have been recreant to their trusts and sought their own personal gain rather than the interests of those whose trust funds had been confided to them, but the beneficence of the system was extolled by every investigator who examined into it. And that was what Mr. Wright meant when he said that the companies had nothing to fear from exposure. He could not vouch for the integrity of individuals, but he could vouch for the great usefulness of the life insurance system which he had studied and analysed for the better part of a life time.

The scandals that have been exposed on the part of a few individuals had the effect of checking the business of life insurance temporarily, but in the end it will be found that the exposures will result in permanent benefit, as it has enabled the companies to get rid of their grafters and to thoroughly reorganize their managements and infuse new blood into them. It was a severe ordeal for the companies to go through, but it can be truthfully said that no other financial or beneficent system could have withstood the shock of such an upheaval as life insurance has encountered during the past year. But the tide has turned, and with the better knowledge of the subject that the public has acquired, more interest is shown, and the business is slowly but surely recovering a considerable portion of its old prestige. In the words of the distinguished writer above quoted, the companies have everything to hope for from the exposures that have been made.

THE Czar of Nevada, S. P. Davis, who slops around as Insurance Commissioner, has written a most impertinent letter to the London and Lancashire Insurance Company, in which he says:

You are reported in the newspapers as settling in full with your wealthy patrons and squeezing your small policyholders. I have ordered all policies carried by your company on State property canceled, and will give you two weeks to begin settling dollar for dollar in San Francisco, and if there are still complaints of your business methods

in San Francisco your license to do business in the State will be revoked.

If Mr. Davis believes everything that appears in the newspapers, he must know that people in general have a well-formed opinion as to his idiotic performances. It is such officials as he and the California Commissioner who bring State supervision of insurance into contempt, and destroy its opportunities for being of service to the public. Interference with the adjustment of losses in California has resulted in delaying settlements, and embarrassing the companies and claimants alike, and will tend to prolong litigation. The impudence of Mr. Davis in addressing such an uncalled for letter to one of the leading insurance companies of the world, that has been successfully in business for nearly half a century and has acquired an enviable reputation for fair and liberal dealing with its patrons, is sufficient evidence that he is totally unfit for any official position. As to his ordering the cancellation of the policies carried by propertyowners in that company, he has no more right to do it than he has to confiscate any other form of property citizens of that State possess. It is scarcely probable that any policyholder will release the company from its contracts simply because this Jack-in-office wants to make a show of authority that he does not possess. He can arbitrarily revoke the company's license to do business in Nevada, but this would be no occasion for mourning, and the courts would scarcely sustain him from doing so on such flimsy and unwarranted pretext.

IN THE SPECTATOR of August 23, comment was made upon statements that appeared in The San Antonio Gazette to the effect that one of the New York life insurance "giants" was rebating largely in Texas in order to secure business. The name of the company was not mentioned, but we deemed the statements of sufficient importance to request further information regarding the charges. We have received communications from two Texas gentlemen confirming the rebating reports, and naming the Mutual Life as the chief offender, although the New York Life is reported to be also engaged in this nefarious practice. One of our correspondents is not willing to have his name used, but the other, who cites instances of rebating, makes the charges boldly over his own signature, and his communication will be found in another column of this issue of THE SPECTATOR. There can be little doubt as to the truth of these charges against the companies, for both correspondents agree in citing special cases, which are in accord with the printed statement of the local paper referred to. If the companies mentioned are sanctioning rebating in Texas to the extent stated, it is fair to assume that similar practices are indulged in elsewhere. It is more likely, however, that unscrupulous agents are responsible for the Texas rebating, and that it is done without the knowledge of the companies. If they are, as they assert, opposed to rebating, they should promptly discipline the agents whose offenses in this respect are so fully substantiated.

The New York Life is circulating a canvassing document in which are listed sixty-two endowment policies which matured in August, upon which premiums amounting to \$221,733 were paid. The cash value of these policies at maturity was \$287,331, showing an increase of \$65,599.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

George G. Brown, general manager of the United Surety, was in town last week.

Announcement has been made of the formation of a life company in this city, to be known as the Eastern Life Insurance Company, with \$100,000 capital and \$50,000 surplus, of which capital \$60,000 is reported paid in. The promoters of the company are John S. Hanson, Charles A. Anderson and Herbert Reeves. The new concern intends to issue non-participating insurance only, and is doubtless being undertaken on account of the new law of this State, which forbids a life company to issue both mutual and stock forms. The organizers expect to begin business in October. The other parties mentioned in connection with this venture are William B. Midgley, Max Helman, Moses Napelbaum, Frank L. Eschbach, Irving Emmons, John C. Hanson, A. A. Baekey, Charles E. Hammond, Watson B. Robinson, Afton Church, William A. Cross and George Hosking.

The National Surety Company advertises that bank depositors can have the payments of their accounts in satisfactory banks and trust companies guaranteed by this company. The charge for such protection will be \$5 per thousand dollars per year, with a minimum charge of \$10.

BOSTON AND VICINITY.

Mary A. Tennyson and Dennis Griffin, her brother, both of Boston, who were reported in last week's SPECTATOR as under arrest charged with forgery in attempting to defraud the New York Life by substituting one person for another in an application, have been held in \$3000 each for appearance before the Superior Court.

Charles E. Fish, of the life insurance firm of Haven & Fish, Boston, has transferred his residence from Somerville to Winchester.

NOTES FROM PHILADELPHIA.

The epidemic of burglaries at Coatesville, Pa., is reported to be so severe that lodge meetings are very slimly attended because women are afraid to remain at home alone.

Last week John Marston retired from the firm of Marston & Wakelin, which has been established in this city for forty years, and which for most of that period has led all the other general agencies of the New England Mutual Life in volume of business. As an acknowledgment of valuable services rendered during his long connection with the agency as its superintendent, W. A. Smalley has been admitted to the firm, the title of which remains the same, and the other members of which are Amos Wakelin and H. W. Marston.

J. L. Benjamin, manager of agencies of the new United American Life, resigned that position last week before the company got fairly started.

Following a notice from the bonding company of its readiness to pay the loss of \$175,000, occasioned by the State of Pennsylvania through the failure of the Real Estate Trust Company of this city, being the sum it had on deposit in that institution, State Treasurer Wm. H. Berry last Friday made a draft on the United States Fidelity and Guaranty of Baltimore for that sum. It is said that certain attorneys tried to have Mr. Berry enter a judgment against the bonding company for the sum due and employ them as counsel, but he declined to be a party to any such transaction. This action saves the fidelity company approximately \$8000.

- The Annuity Company of Canada recently announced its intention to begin business on September 1. It has an authorized capital of \$1,000,000, of which \$700,000 was subscribed on August 1 and \$75,000 paid in. Its plans embrace annuity and pension insurance, and its officers are: Robert Muir, president; F. O. Fowler, first vice-president; J. Y. Griffin, second vice-president; G. J. Lovell, managing director; W. F. Hull, secretary-treasurer. The board of directors consists of fifteen persons of Winnipeg, the company's headquarters, and boards of advisory directors have been chosen in the several provinces.

CONTRIBUTED PAPER.

The Suicide Record of 1905.

BY FREDERICK L. HOFFMAN.

The suicide record of 1905 is somewhat remarkable, in that the rate declined to a point lower than during the preceding two years, a rather curious exception in a well-marked tendency toward an increase in the suicide mortality of American cities. The rate during the year was 18.2 per 100,000 of population, against 20.9 during the preceding year. The remarkable prosperity of the country, the small percentage of unemployed, the increase in wages and diminution in hours of labor, all combine to create conditions favorable to a decrease in the rate of self-destruction. At the same time, it is safe to assume that the decline is rather exceptional and not indicative of being the turning point, with the likelihood of a still further diminution of the suicide rate in the future.

The table which follows exhibits the suicide mortality of fifty American cities for the ten-year period 1895-1904, and for 1905:

SUICIDE MORTALITY IN FIFTY AMERICAN CITIES.
1895-1904 and 1905.

CITIES.	1895-1904.		1905.		Rate of Increase or Decrease
	Suicides.	Rate per 100,000 Population.	Suicides.	Rate per 100,000 Population.	
San Francisco.....	1,689	49.6	224	61.0	+11.4
Hoboken.....	172	29.2	19	29.2	.....
St. Louis.....	1,548	27.2	182	28.0	+0.8
Oakland.....	156	23.6	21	26.7	+3.1
N. Y. City (Man. & Bronx)	4,596	22.7	422	17.7	-5.0
Chicago.....	3,882	21.9	430	20.4	-1.5
Milwaukee.....	608	21.5	72	22.0	+0.5
Cincinnati.....	653	20.1	86	25.2	+5.1
Newark.....	482	19.8	90	31.8	+12.0
Haverhill.....	67	18.3	2	4.4	-13.9
Brooklyn.....	2,004	17.4	174	12.4	-5.0
Indianapolis.....	276	16.6	43	20.1	+3.5
Jersey City.....	328	16.0	52	22.3	+6.3
Orange.....	38	15.8	3	11.7	-4.1
Boston.....	851	15.3	82	13.0	-2.3
New Haven.....	164	15.3	23	18.5	+3.2
New Orleans.....	437	15.3	55	17.6	+2.3
Washington.....	422	15.3	60	19.6	+4.3
Cleveland.....	572	15.2	83	18.0	+2.8
Minneapolis.....	292	14.5	47	20.9	+6.4
St. Paul.....	230	14.2	35	19.3	+5.1
Rochester.....	226	14.0	23	12.9	-1.1
Pittsburg.....	434	13.6	*153	*17.3	+3.7
Passaic.....	35	12.8	4	9.3	-3.5
Dayton.....	103	12.2	21	20.8	+8.6
Philadelphia.....	1,564	12.2	201	14.0	+1.8
Hartford.....	95	12.1	13	13.3	+1.2
Louisville.....	245	12.1	34	14.7	+2.6
Erie.....	62	11.9	5	8.3	-3.6
Providence.....	203	11.7	29	13.7	+2.0
Baltimore.....	573	11.3	88	16.0	+4.7
Bridgeport.....	78	11.1	9	10.5	-0.6
Brockton.....	43	10.9	2	4.1	-6.8
Salt Lake City.....	56	10.6	5	8.4	-2.2
Buffalo.....	365	10.5	57	13.8	+3.3
Elizabeth.....	53	10.3	6	9.7	-0.6
Gloucester.....	27	10.2	2	8.3	-1.9
Worcester.....	119	10.2	26	18.3	+8.1
Lawrence.....	62	10.0	4	5.3	-4.7
Chelsea.....	33	9.8	3	8.1	-1.7
Lowell.....	90	9.6	10	9.4	-0.2
Holyoke.....	43	9.5	5	9.6	+0.1
Reading.....	74	9.5	14	15.3	+5.8
Manchester.....	53	9.4	4	6.2	-3.2
Cambridge.....	82	9.0	10	9.7	+0.7
Fitchburg.....	24	7.7	8	21.3	+13.6
Lynn.....	46	6.8	7	9.3	+2.5
Trenton.....	44	6.1	10	11.6	+5.5
Somerville.....	32	5.3	3	4.1	-1.2
New Bedford.....	31	5.0	5	7.1	+2.1
Average 50 cities.....	24,362	17.9	2,966	18.2	+0.3

* The returns from Pittsburg (1905) comprise the whole of Allegheny county, consequently the county population had to be used to compute the rate.

The preceding table shows the actual and relative mortality from suicide in each of the fifty cities for which the returns were available, and of this number thirty cities show an increase in the suicide rate per 100,000 of population, while nineteen cities show a decrease. This comparison could have been extended to include fifteen additional

cities, but there would have been no substantial change in the results. The cities have been arranged in the order of their degree of suicidal frequency during the ten years 1895-1904. San Francisco stands at the head of the table, with a rate of 49.6 per 100,000 of population during the decade, against a rate of 17.9 for the fifty cities combined. The rate increased to 61.0 during 1905, or the highest rate on record for any American city, as far as the data have been made available. The rate for Hoboken was 29.2 for the ten-year period and the same during the year 1905. Hoboken has always held either first or second place in these tabulations, and usually the next city in order of importance has been St. Louis. The rate for St. Louis was 27.2 per 100,000 of population during the ten-year period and 28.0 during 1905. The rate for New York city decreased to 17.7 during 1905, against an average of 22.7 during 1895-1904. This decrease is probably to be explained in part by the increase in the proportion of Jews in the population of the old city of New York, that is, Manhattan Borough and the Bronx. The table shows that for the fifty cities combined the rate has increased from 17.9 per 100,000 during 1895-1904 to 18.2 during 1905. Based, as these returns are, upon an aggregate city population of a little over sixteen millions, they may be accepted as representative of urban conditions generally, and as a trustworthy statement of the facts.

To increase the utility of these tabulations for local purposes, I add a table showing the corresponding information for fifteen additional cities, not included in the preceding tabulation:

SUICIDE MORTALITY IN FIFTEEN ADDITIONAL AMERICAN CITIES.
1895-1904 and 1905.

CITIES.	1895-1904.		1905.		Rate of Increase or Decrease.
	Suicides.	Rate per 100,000 Population.	Suicides.	Rate per 100,000 Population.	
Concord.....	30	15.4	4	19.1	+3.7
Quincy.....	54	15.0	5	12.9	-2.1
Auburn.....	45	14.9	7	21.3	+6.4
Nashville.....	111	13.8	17	20.4	+6.6
Toledo.....	162	12.5	21	12.5	.....
Springfield, Mass.....	74	12.1	5	6.7	-5.4
Bayonne.....	31	9.6	9	21.0	+11.4
Altoona.....	31	8.0	10	22.6	+14.6
Lincoln.....	33	8.0	5	14.6	+6.6
Omaha.....	64	6.1	13	14.9	+8.8
Johnstown.....	19	5.4	5	10.8	+5.4
Camden.....	36	4.8	4	4.4	-0.4
Charleston, S. C.....	26	4.7	2	3.6	-1.1
Elmira.....	11	3.1	8	20.9	+17.8
Williamsport.....	4	1.4	1	3.4	+2.0
Average 15 cities.....	731	9.1	116	13.1	+4.0

The third table shows the actual and relative mortality from suicide during the fifteen years 1891-1905, and also by quinquennial periods, together with a statement of the aggregate population of the fifty cities considered. It is shown by this table that while the suicide rate has fluctuated during individual years, there has been a gradual increase to a maximum point in 1904. During the year under consideration the rate declined to 18.2 per 100,000 of population, which compares with an average of 18.8 during the five-year period 1901-1905:

SUICIDE MORTALITY IN FIFTY AMERICAN CITIES.
1891-1905.

YEARS.	Population.	Suicides.	Rates per 100,000 Population.
1891.....	10,545,475	1,534	14.5
1892.....	10,847,632	1,518	14.0
1893.....	11,139,420	1,871	16.8
1894.....	11,510,121	1,890	16.4
1895.....	11,813,803	1,935	16.4
1896.....	12,153,607	2,073	17.1
1897.....	12,504,253	2,300	18.4
1898.....	12,872,389	2,349	18.2
1899.....	13,240,197	2,260	17.1
1900.....	13,626,115	2,306	16.9
1901.....	14,002,500	2,433	17.3
1902.....	14,436,296	2,603	18.0
1903.....	14,861,322	2,886	19.4
1904.....	15,301,861	3,191	20.9
1905.....	16,279,634	2,966	18.2
1891-1895.....	55,856,451	8,748	15.7
1896-1900.....	64,396,561	11,288	17.5
1901-1905.....	74,881,613	14,079	18.8

As a further contribution to a better knowledge of this important subject, I add a table showing the suicide rates by five-year periods since 1871 for ten of the principal American cities for which the information is available:

SUICIDE MORTALITY IN TEN PRINCIPAL AMERICAN CITIES.
Five-Year Periods, 1871-1905.

	1871-75.	1876-80.	1881-85.	1886-90.	1891-95.	1896-00.	1901-05.
New York (M. & B.).....	14.0	12.3	14.9	16.4	18.7	22.9	21.7
Chicago.....	13.0	11.7	13.7	16.3	23.7	23.0	22.4
Philadelphia.....	7.3	6.9	8.9	9.1	10.1	11.8	13.8
St. Louis.....	8.0	15.5	21.8	21.9	24.6	26.6	28.0
Boston.....	9.8	10.5	11.0	10.5	14.1	16.6	13.6
Baltimore.....	5.9	5.5	7.1	8.1	10.0	11.4	12.9
Cincinnati.....	11.8	15.2	16.2	15.6	18.7	18.1	23.6
New Orleans.....	8.8	6.8	14.4	13.3	15.6	16.1	15.1
Newark.....	11.8	9.3	12.3	15.7	16.2	15.7	26.0
Providence.....	9.6	7.2	10.3	6.2	10.0	12.6	11.8

A report on mortality recently published by the census office contains some interesting data regarding the age distribution of suicides, which appear of sufficient value to warrant their incorporation in this article:

SUICIDE MORTALITY IN THE REGISTRATION AREA OF THE U. S.
1900-1904.

AGES AT DEATH.	Males.		Females.		Total	
	Number.	%	Number.	%	Number.	%
5-19.....	411	2.6	510	10.2	921	4.5
20-29.....	2,564	16.4	1,613	32.1	4,177	20.2
30-39.....	3,436	22.0	1,070	21.3	4,506	21.8
40-49.....	3,507	22.4	784	15.6	4,291	20.8
50-59.....	2,834	18.1	538	10.7	3,372	16.3
60-69.....	1,803	11.5	325	6.5	2,128	10.3
70-79.....	872	5.6	146	2.9	1,018	4.9
80 and over.....	217	1.4	34	0.7	251	1.2
Total known ages.....	15,644	100.0	5,020	100.0	20,664	100.0

According to this table, in the case of males, 44.4 per cent of all suicides occurred between the ages of 30 and 49. Among females the suicidal frequency falls upon earlier age periods, and according to the preceding table 53.4 per cent of all suicides among females occur between ages 20 and 39. The table is suggestive, and illustrates the importance of suicide as a factor in life insurance deserving of serious consideration. While the rate for 1905 has slightly declined, the long-continued upward tendency of the suicide rate does not warrant, for the present at least, an anticipation of a further decline in the rate in the future. As I have often had occasion to point out, the actual mortality from suicide is greater than represented in the recorded statistics, since many deaths from self-murder are returned as accidents, homicides, cause unknown, etc. The record for 1905 confirms earlier investigations and re-emphasizes the importance of this subject from a life insurance point of view.

THE MIDDLE STATES.

Equitable Remains in France.

Following the return of President Paul Morton of the Equitable from Europe, the directors of the company met on August 30 and decided to continue business in France. Mr. Morton gave several reasons why he considered this course advisable. They are:

First—The apparent intention of the French authorities to treat American companies fairly and without discrimination.

Second—The undoubted ability of the French people to buy life insurance, owing to their prosperity and frugality.

Third—The loss of business already on our books which would follow the decision to withdraw. Such a decision would be used by our competitors to "twist" our policies on the accusation that we retired because we were unable financially and morally to subscribe to the new requirements. We have expended a large amount of money in the last twenty years establishing a French agency.

Fourth—Because hereafter French business is to be secured at the same expense as American business, the same compensation being paid to agents there as here.

Fifth—Because we will be several years reaching the maximum of

business which we are allowed to do, even with all the territory we now have. Why abandon France at this time under these circumstances?

Sixth—Because with the hallmark of the Government, which we will in a degree now have, our director-general in France assures me he thinks we can do a business there after this year of \$5,000,000 per annum. Under this arrangement we are obliged to make an additional deposit of \$9,500,000 of American securities, a part of which will be substituted by French securities within the next five years.

Philadelphia's New Life Company.

The Independence Mutual Life Insurance Company has been organized in Philadelphia and opened temporary offices in the Real Estate Trust building. This company will begin operations along lines similar to those of the Philadelphia Life—first as an assessment company and later as a stock company with a capital of \$300,000. Application for a charter has been made and applications for upward of \$1,000,000 of insurance are said to have been secured. Among the men identified with the project are: Richard B. Morrell, treasurer of the Oriental Mills; Edgar A. Ashman of S. A. Ashman & Son, blacksmiths; A. P. Whitteman of A. P. Whitteman & Co., steel; Robert Lewis of Robt. Lewis & Co.; Herman Diesinger, a director of the Ridge Avenue Bank, and William H. Burns, a director of the Frankford National Bank. The officers of the company are: Richard B. Morrell, president; Herman Diesinger, vice-president; Edgar A. Ashman, secretary, and Robert Lewis, treasurer. It is reported that the company is considering making a contract for the agency management with Messrs. Cotter & Wheeler, who were formerly connected with the Philadelphia Life.

—The late Sidney Dillon Ripley, for many years treasurer of the Equitable Life, left an estate valued at more than \$1,000,000.

—The Peoples Life Insurance Company of Indiana, with headquarters at Frankfort, will operate as a stipulated premium company under the law of 1897, and began issuing policies on September 3.

THE WEST.

Occidental Life Starts.

The Occidental Life of Los Angeles has begun business with a capital of \$200,000 and \$50,000 surplus. Its offices are in the Grosse building. At present annual dividend policies are being written, but later an accident and health department will be put into operation. The officers of the company are:

Edwin H. Conger, president; Joseph Burkhard, first vice-president; Seth A. Keeney, second vice-president; W. H. Cramer, secretary; John W. Vaughn, treasurer; Benjamin E. Page, counsel; Dr. W. W. Hitchcock, medical director; Karl K. Kennedy, superintendent of agencies; Henry W. Allstrom, actuary. Board of Directors—Edwin H. Conger, Seth A. Keeney, A. H. Busch, John W. Vaughn, Joseph Burkhard, W. W. Hitchcock, R. A. McNally, Karl K. Kennedy, Byron Erkenbrecher, R. D. Bronson and Benjamin E. Page.

All those connected with the company are reported to be in excellent business standing and many of them are possessed of ample means. President Edwin Conger was United States Ambassador to Mexico and Minister to China during the Boxer troubles; Seth A. Keeney, second vice-president, is the son of one of the original incorporators of the Prudential. The secretary, W. H. Cramer, is an insurance man of long standing, having been connected with the Equitable over sixteen years. Karl K. Kennedy, promoter of the company and one of its directors, is a prominent insurance man of the West, and Actuary Henry W. Allstrom was formerly with the actuarial department of the Metropolitan Life and the New York Life.

—Roger W. Cooley has been appointed instructor in insurance in the St. Paul College of Law.

—Fred B. Smith is heading a new life company in South Dakota. The headquarters of the new concern will be at Helca.

—The Pacific Mutual Life has under consideration a proposition to increase the capital stock of the company from \$700,000 to \$1,000,000.

—Daniel P. Roberts, former general agent of the Security Life and Annuity, has been appointed district manager for Cook county, Illinois.

—The American Bar Association held a meeting in St. Paul on August 31, and it was decided that the subject of Federal supervision should be made a special order immediately after the annual address at the next convention.

—The Pacific Mutual Life announces the issuance of an entirely new line of life policies, containing many attractive and liberal features. The company also will add accident and health weekly indemnity to life policies upon request, at a slight extra premium.

—The inventory filed in the Supreme Court of Indiana by Recorder George C.

Hitt of the State Agency Company of Indianapolis shows total assets of \$472,598, of which \$273,614 is in cash, \$159,509 in notes and the balance in agents' rebates and office furniture.

—Lot H. Brown, formerly manager of agents for Ohio for the Massachusetts Mutual Life, has accepted the position of superintendent of agencies with the Midland Mutual Life of Columbus, and entered upon the active discharge of the duties of this position on September 1.

—The Iowa Insurance Department has refused to admit the United Commercial Travelers of Ohio and the Travelers Protective Association of Missouri. No fault is found with their management, but the Iowa law does not provide for the admission of this particular sort of fraternal organization.

THE SOUTH.

Wholesale Rebating in Texas.

[TO THE EDITOR OF THE SPECTATOR.]

In the issue of August 23, 1906, of your magazine, I notice your comments upon wholesale rebating in Texas. I note with interest your comment, which is as follows: "Allowing something for the exaggeration common to all daily papers, the published story claims that many men in the city of publication have taken policies at a cost of from \$3 to \$5 per thousand. One banker is said to have secured a policy of \$100,000 at a cost of only \$500, while other policies ranging from \$5000 to \$30,000 have been issued at the same rate, or even lower."

I want to say that the newspaper reports were not exaggerated; in fact, they do not tell the whole story. The paper you refer to is The San Antonio Gazette, an evening paper of this city. The company which has been doing most of the rebating is the Mutual Life of New York. The New York Life has also been doing rebating to my certain knowledge.

The banker who is supposed to have purchased a \$100,000 policy at a cost of only \$500 is Mr. Will Woods, cashier of the Woods National Bank of this city. He did purchase a \$100,000 policy in the Mutual Life at a tremendous rebate. I have been told upon authority which I believe to be reliable that he paid \$200 on the \$100,000, instead of \$500. The policy was sold to him by a man named Griffith or Griffin, who is connected with the St. Louis office of the Mutual Life, but who was here during the spring. It seems that this gentleman operated under a contract directly with the home office. This agent called at my office just before departing for the north, and told me of the big business that he had been writing, and, to the best of my belief, he told me that he had written Mr. Woods; on this point, however, I am not entirely clear. I would say that I was offered a \$10,000 in the Mutual Life for \$30. In two instances, to my certain knowledge, in which we were competitors, the Mutual Life offered heavy rebates. One of our prominent dairymen was offered a \$10,000 policy for \$45 in the Mutual Life. I understand he accepted the offer. Another one of our prominent livery stable men was offered a heavy rebate, but I am not sure of the exact amount. One of the traveling men for the San Antonio Drug Company told me yesterday that he bought a \$5,000 in the Mutual Life for \$25. It was a 20-pay policy. The New York Life rebated a \$2000 policy on the life of a clerk in one of our department stores. I was in competition on the policy, and have the insured's statement that he was receiving a rebate from the New York Life. I understand that the rebate was 50 per cent. The plan of policy was a 20-pay life. Aside from the fact that the Mutual Life was selling and is selling, so far as I have been able to determine, insurance at \$3 and \$5 a thousand, they are giving their agents an advance of \$25 a week for selling the rebated business. Their method of writing insurance is beyond my comprehension.

I think, in full justice to the insurance business and the agents representing conservative companies, you ought to make a full expose of this wholesale rebating on the part of the Mutual, and do all in your power to have the practice discontinued. You are at perfect liberty to use this communication and my name in connection therewith in your publication or otherwise. I am willing to make an affidavit that the statements herein contained are substantially true.

Any further information I can give you, I shall be glad to supply you with. Very truly yours,

W. H. WATLINGTON, Manager.

San Antonio, Tex., August 27, 1906.

—Gilbert R. Walter, general agent of the Prudential at Baltimore, committed suicide recently. No reason is known for his action.

—S. H. Wolfe, the New York actuary, has been in Chicago making an examination of the Security Life and Annuity for the Virginia Insurance Department.

—The secretary and actuary of a life insurance company advertises in another column for a first-class opportunity. He states his qualifications to establish and manage all departments of the home office of a life insurance company.

the Security being operated under a Virginia charter. All the Virginia companies will be examined by the State's new and first Insurance Commissioner, just appointed.

—A new life company is under way at Nashville, Tenn., to have \$200,000 capital and \$100,000 surplus. It is expected that this new corporation will absorb the Life and Casualty Company of Tennessee and that Guilford Dudley will head the new company. A. M. Burton will have charge of the agency work.

MISCELLANEOUS LIFE NEWS.

Life Insurance Developments of the Week.

At the meeting of directors of the Equitable Life, held on August 30, the resignations of George J. Gould and D. Cady Herrick, as directors, were announced and accepted. These resignations were presented early in the summer.

The company scored a minor victory in the suit brought by Attorney-General Mayer demanding that the directors give an accounting of the management of the company's funds. Judge Bischoff decided that there was an improper joinder of causes of action. The company lost in the main points of the decision, however, the demurrer being overruled in respect to the contention that the directors could not be compelled to make repayments as asked by the Attorney-General. The court declared that the directors must answer the complaint with the exception of the matter of the improper joinder and gave them twenty days in which to file an answer.

The Appellate Division of the Supreme Court for the third department has affirmed the order of Justice Howard in special term denying the application for a mandamus requiring Superintendent Kelsey of the New York Insurance Department to remove from the administration ticket for trustees of the Mutual Life the names of four members of the international policyholders committee. The case will probably be taken to the Court of Appeals.

The international policyholders committee's general convention meets at the Waldorf-Astoria to-day and the executive committee will present its recommendations for candidates for directors of the New York Life and Mutual Life. The executive committee of the Mutual Life Policyholders Association also met yesterday and to-day and a joint opposition ticket is among the possibilities. There are other rumors of lack of harmony between the two organizations and an opposition ticket may not be named before September 18.

With reference to Ex-President Cleveland's decision as referee in the matter of income tax rebates to British policyholders in American life companies it is pointed out in London that it will have only a small effect in Great Britain because a new act of Parliament, which goes into effect on October 1, called "a revenue act," empowers the income tax authorities to allow deductions in respect of all life insurance policies, either British or foreign, provided the amount does not exceed one-sixth of the taxable income.

On August 29, Bishop Charles C. McCabe of the Methodist Episcopal Church wrote to Alton B. Parker, chairman of the executive committee of the international policyholders committee. In the letter, Bishop McCabe, who is a member of the international committee, criticizes the conduct of the committee's affairs, and, expressing confidence in the present managements of the Mutual and New York Life insurance companies, recommends that the committee indorse the administration ticket of each company. The letter reads as follows:

Dear Sir:—When I joined the international policyholders committee I understood that its purpose was to consider the advice which should be given to the policyholders of the New York Life Insurance Company and the Mutual Life Insurance Company in their own best interests, after obtaining all available information. I was, therefore, surprised when an address was sent to the policyholders with my name appended to it, which had never been submitted to me.

I do not approve of the address, nor of the other pages printed with it and purporting to be issued by the committee. I am quite sure that the members of the committee who may have personally signed the address cannot possibly approve the form in which it has been sent out, nor the intemperate and vituperative language in which our alleged opinions are constantly set forth by the spokesman of the committee.

I have considered fully the duty imposed upon me, and I protest against the further expression in the name of the committee of opinions and accusations with which I have no sympathy, and which I am convinced have no sufficient justification in fact.

The administration tickets of the two companies include many men known to me, and many others of whom I have obtained much information. I am satisfied that it is not possible to nominate trustees, who, under the existing circumstances, could better conserve the great interests of the policyholders than those recently named on the two administration tickets. You are the chairman of a sub-committee charged with the duty of forming a ticket, and so far as my voice and vote are to be considered, I urgently recommend the adoption by your committee

of the administration tickets of both companies, and their unanimous election by the policyholders.

After long and careful consideration I am thoroughly satisfied that the present administrations of both companies are now effecting great economies and reforms, and that these institutions, purged as by fire, are now in a position to afford the protection of life insurance in better form and on better terms than any known in the past.

Yours very truly,

CHARLES C. McCABE.

On August 31 a conference was held at Albany relative to the form of ballot to be used by mutual life companies. Nothing definite has been done so far. The ballots will be mailed to policyholders on October 18.

Work of Committee of Fifteen.

The committee of fifteen appointed by the Chicago insurance convention of February 1, met last week to receive reports of sub-committees on proposed new laws to be recommended to the several States for adoption. The conference finally adopted the following proposed laws: Prohibition of false estimates; policy to contain entire contract; prohibitory political contributions; agent to be held agent of company; participating business; regulation of investments; salaries of officers and managers. In regard to annual apportionment and accounting of surplus, a principle for which THE SPECTATOR has always stood, the first section of the proposed law is as follows:

Section 1. Every life insurance company conducted on the mutual plan, or in which policyholders are entitled to share in the profits or surplus, shall make an annual apportionment and accounting of divisible surplus to each such policyholder, beginning on or before the end of the second policy year, on all participating policies hereafter issued, and each such policyholder shall be entitled to and be credited with or paid in the manner hereinafter provided such a portion of the entire divisible surplus as has been contributed thereto by his policy.

The recommendations of the conference also provide for election of directors; prohibiting discrimination in premium rates, and a lengthy report was submitted on fraternal insurance. The committee of fifteen adjourned to meet in Washington on October 1.

—Up to August 3 the Union Assurance of London paid \$1,945,767 of losses at San Francisco; on August 14, \$2,333,751, and up to August 25, \$3,351,763.

—The Aetna Life has issued a new policy on the joint life, non-participating plan, to be used exclusively for partnership insurance. The policy is to be issued only to business partners.

—W. H. Gould, formerly actuary of the Sovereign Life of Canada, has been appointed secretary and treasurer of the newly organized Annuity Life of Canada. Mr. Gould is a graduate of Queen's University of Kingston, associate of the Institute of Actuaries of Great Britain and a member of the Actuarial Association of the United States.

INDUSTRIAL INSURANCE

Prudential's Latest Innovation.

Policyholders in the Prudential have just received another marked illustration of the company's desire to treat them with the utmost liberality. The management has just issued a declaration that all its adult industrial policies issued in 1906 will be placed in immediate benefit from date of issue for one-half their face value. Following are the terms upon which this change will be made:

Adult Policies—Amount of benefit in first six months will be increased from one-fourth to one-half; in other words, the policies will be in one-half benefit during entire first year.

Infantile Policies—The benefit during the first three months will be increased to the amounts which are now payable during the second three months and the benefit during the third three months will be increased to the amounts which are now payable in the fourth three months. So that, at age two, for instance, for a ten-cent premium the benefit during the first six months will be \$20, and the benefit for the second six months will be \$30. After one year the benefits will be as heretofore.

In accordance with the company's usual practice, these special provisions are made retroactive and will apply to all policies in 1906. This adds to the already long list of the company's concessions to its policyholders.

Superintendents are authorized to adjust accordingly all claims presented on and after this date. The company will readjust all claims on policies issued during 1906 which have already been settled.

Claims under policies issued in 1906 are being settled on this basis and supplementary checks are being sent to superintendents for distribution among beneficiaries.

The Prudential paid its 900,000th industrial claim on July 10 of this year.

Industrial Notes.

—The Colonial has appointed J. W. Allbritton manager of its Easton (Pa.) office.

—John E. Reed of the Philadelphia No. 3 office of the John Hancock, after a service of twenty-six years, has resigned.

—Superintendent Pennell of the Metropolitan at Mt. Vernon, N. Y., has resigned, and Everett Thomas has been appointed in his stead.

—The mid-summer work of the Colonial has assumed gratifying proportions and there is a general improvement in each branch of the business.

—The leading agent on the industrial record of the Colonial for 1906 is B. Hokschi, New Brunswick. The leading ordinary agent is F. E. J. Chrystie, Jersey City.

—P. Hanley has resigned the superintendency of the Charlotte (N. C.) district of the Metropolitan and E. A. Hosford, formerly superintendent at Chillicothe, Ohio, has been transferred to succeed him.

—Assistant F. B. Jacques, a large ordinary producer of the Roxbury (Mass.) district of the Metropolitan, has been given the superintendency of the St. Johnsbury (Vt.) district, succeeding J. G. Schwenger.

—The John Hancock opened a new detached district last month, in charge of Assistant Charles H. Kelley, at Saratoga Springs in the Troy agency, with Room 17, Citizens Bank building, as headquarters.

—John Wilsou, formerly superintendent of agencies for the Metropolitan district of the Metropolitan Life, has been appointed to succeed Alfred J. Lyons, superintendent of the Providence (R. I.) district.

—The assistant manager in the Colonial ranks holding first honors for 1906 in ordinary work is H. Whymen, Elizabeth, followed by J. Keunedy, Williamsburg. The leading industrial assistant is T. A. Sheers, New York.

—Of the \$309,000 ordinary issued to the John Hancock's Brooklyn District 1, for June, all has been placed and paid for, with the exception of \$20,000. Of the amount returned, \$4000 may technically be classed as not returned, it being due to changes in form, etc.

—There has been among the Colonial managers an interesting struggle for supremacy during the year. At the present time the industrial leader is L. P. Welsh of Trenton, followed by C. W. Hugg of Newark. The leading ordinary manager is also L. P. Welsh of Trenton.

—J. A. Babcock, agent in the Stuyvesant Heights district of the Metropolitan, has been appointed assistant superintendent of that district. S. J. Meyer, another agent of Stuyvesant Heights, has been appointed to succeed Richard Lewinsohn, who has taken charge of the Joplin (Mo.) district as superintendent.

—The Prudential announces the following recent promotions from the agency to the assistant rank: S. M. Schupper, Hoboken; R. Kerschner, Philadelphia 8; W. R. Mays, Springfield; A. R. Montgomery, Toledo; C. C. Longley, St. Louis 4; E. Greenbaum, Brockton; R. R. Frank, Worcester; E. H. Montgomery, Philadelphia 2; C. C. Fletcher, Akron; W. W. Morris, Anderson; C. C. Brownell, Indianapolis 1; W. T. Nix, Ithaca; E. E. Haas, Allentown; C. F. Owens, Washington; W. F. Hollomon, Sedalia; H. Jamison, Sedalia; R. Stolte, St. Louis 1.

—The Prudential's agency leaders in industrial for 1906 are: E. F. Smith, McKeesport; F. J. Olive, Pittsburg 1, and J. T. Quinn, Wilmington. Assistant leaders, S. P. Miller, Joplin; P. M. Russell, New Albany, and C. P. Wurster, Charleston. Superintendency leaders, G. J. Wink, Wilmington; J. M. Mackintosh, McKeesport, and J. Reid, Milwaukee 1. The superintendency leaders in ordinary are: Z. T. Miller, New York 8; W. H. Joyce, Buffalo 1; M. J. Leonard, New Haven. Assistants, E. C. Foppert, West Hoboken; M. Phillips, New Haven, and G. Schilmoler, Hamilton.

—Among the most recent changes reported by the Colonial are: Appointments to Assistantcies—Edward C. Martin, New York; A. A. Bell, West Philadelphia; C. H. Miller, Bronx; Manuel Rivera, Jr., Brooklyn; John B. Lang, Jersey City; John W. Mullen, Philadelphia; G. W. Claxton, Jersey City; Vincent Ciaramella, Philadelphia; D. P. Walsh, Bronx; John Schaller, Middletown; G. R. Ferry, Atlantic City; H. A. Firing, Pottstown; M. F. Fee, New York; M. J. Cole, Williamsburg, and R. N. Westcott, Easton. Manager H. J. Whitaker of Reading has been transferred to Harlem in the same capacity. J. W. Albritton has been appointed manager at Easton, and Assistant James O'Donovan of Trenton has been appointed to the managership of Reading. J. F. Johusou has been transferred from an assistantcy in Williamsburg to Greenpoint.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The summer pilgrims are returning and the offices on the 4th showed up many familiar faces some time absent. Some came from abroad and some from near-by resorts, and a few from far off San Francisco. They are welcome home, and there is plenty of hard work for all of them to do.

The Williamsburgh City has decided to follow the plan of the Commercial Union, Alliance, Palatine and Norwich Union in its San Francisco settlements, and has engaged the same attorneys to make payments.

The reinsurance practices of English companies have undergone a change since April, and consequently reductions in lines are in order. Some of them, notably the Liverpool and London and Globe, now accept only net lines and are no longer in the market for reinsurance. This rule is not strictly applied to storage store risks, although, in common with others, all its reinsurances are confined to English offices. These changed conditions cut off a considerable amount of income from the British companies heretofore enjoyed by numerous American offices and agencies.

It is reported that several members of the fire patrol committee are agitated by a proposal to remove the patrol offices to the building owned by the Board and occupied as a patrol station on Bond street. The committee room, it is understood, will continue in the group now occupied in the Mutual Life building. As the proposal will not take effect until the new assignment of quarters to the various underwriters organizations, next May, there is ample time to discuss it, and evidently that is what the fire patrol committee desires.

The July list of cancellations for non-payment of premiums has been issued and must be regarded as a remarkable document, in showing how many policies are required to be dealt with in this way. The Everard breweries, on 132d and 133d streets, come in for the extraordinary sum of \$168,800 upon policies issued in May and not canceled until July. The New York Press Club is down as delinquent upon a policy for \$12,500. The quality of the delinquents is as grave as the number.

There appears to be a muddle in the minds of a few companies regarding the commission on affidavit risks placed in May. Originally the action of May 4 condemned affidavit risks to seven and one-half per cent commission, but that was annulled and a new basis for all commissions adopted by the Exchange on May 25. To correct the wrong impression, the manager has sent out a new circular, calling attention to the fact that commissions are regulated solely by the vote of May 25, and that the regulation prescribed thereby is the only rule for the companies now.

The omission of the regular August meeting of the Exchange was followed by the omission of sundry committee meetings, including the arbitration committee. M. O. Brown of the Westchester, who is chairman of the latter committee, is now in San Francisco, winding up the adjustments for his own company. The business of the arbitration committee is always large, and has accumulated to an enormous extent during the vacation season. The meetings of the Board committees have also been few and far between during the summer.

The demand for new lines has been noticeable during the week, embracing both mercantile and storage lines. The department stores are already preparing for the holiday trade and their insurance requirements are large. There have been cancellations of mercantile lines in some quarters; but on the whole there is a revival, caused doubtless, to some extent, by the reduced lines of various companies and the transfer of their excesses to other offices.

According to the street, there is now over \$2,500,000 insurance on the new Altman building, on Fifth avenue and Thirty-fourth and Thirty-fifth streets, carried at present as a builder's risk, and \$200,000 on the fixtures now going into the building. The store will probably open for trade about November 1.

The pressure for surplus lines on Western packing houses of the

Armour and other big concerns has largely increased of late. This demand shows that the order to reduce lines which have gone out from the East have had their effect upon the writing capacity of Western local agencies. The same effect is noticed in the demand for lines upon Northwestern elevators.

W. S. Banta, who is still in poor health, has retired to his island in the St. Lawrence, to recuperate.

William Bower has been appointed manager of the Metropolitan district for the Vedder Underwriter Company, succeeding Herbert L. Keyes, resigned.

CHICAGO AND THE WEST.

In a bill filed in the United States Circuit Court by Smith Cullom and Norwell W. Cullom of Birmingham, Ala., various stockholders of the defunct Traders company are charged with conspiracy to escape their liability for fire losses sustained by the company in the San Francisco disaster. The company and its legal counsel, George C. Fry, also are made defendants and the court is petitioned to declare void the order of the State Court appointing the State Bank of Chicago receiver and that the stockholders be obliged to pay back all of the alleged unlawful dividends received by them. The stockholders' bill, to which objection is made by the Culloms, was filed some time ago in the State Court, and alleging that the company's loss at San Francisco was \$3,748,000, declared the company was insolvent. In the Federal Court bill just filed, it is set forth that about the same time Attorney Fry answered for the defendant company admitting insolvency, and that upon such a showing a receiver for the company was appointed. The contention of the Culloms is that Fry had no authority to take such a step on behalf of the company, and that through his action the stockholders named as defendants confederated and conspired to escape their responsibilities for the company's losses. If such losses had been paid at the time, the complainants assert, the company would have been left solvent with a surplus of about \$1000. It is charged in the bill just filed that the State Bank of Chicago is holding \$1,500,000 which should be turned over to the Federal Court in order to permit of a thorough accounting, the Culloms alleging that they were agents for the Traders, that they paid out \$10,000 on unearned premiums in Alabama, and that they are seeking the repayment of this money to them from the reserve fund held by the bank in Chicago. It is understood that attempts are being made to settle the controversy out of court. Samuel A. Rothmel, a stockholder named in the Federal Court bill and one of the managers of the business, states that the charge of conspiracy is without foundation, and that, so far from the company being solvent after the San Francisco fire, its liabilities were nearly \$5,000,000, while the assets were only \$3,300,000.

A recent addition to the constantly increasing number of Pacific coast agencies managed from Chicago has been made through the appointment of Belden & Bush, Western managers for the Fire Association of Philadelphia, in charge of the Pacific coast territory heretofore managed by Gutte & Frank at San Francisco. Frank M. Avery, formerly a special agent at Denver for the Fire Association, who has had charge of its adjustment work at San Francisco, has been made State agent for the new territory.

BOSTON AND VICINITY.

The Boston Board of Fire Underwriters has adopted the following:

That the tariff committee consider the advisability of removing the fifteen per cent advance from sprinklered risks in the non-congested section of Boston proper, when they are of a class that may be written by the mutual companies or by individual underwriters.

The New England Insurance Exchange announced an advance in rates in Pawtucket, R. I., which went into effect Saturday, September 1. All policies written to take effect on or after that date, in what is known as the "conflagration area," will be written at an advance of 20 cents over the present rate (either flat, eighty per cent, or minimum) on both building and contents.

There seems to be various reports current relative to the situation

regarding rates in New Hampshire. Doubtless the New Hampshire board will do whatever is right in the matter. No advance has, as yet, been made in that State, except in Portsmouth, where a special advance was levied for inadequate fire protection. It is understood that a movement to increase the rates in New Hampshire must come from within that State, according to the law, and that no outside interests are allowed to regulate or direct the fixing of rates.

Several fortunate ones from Boston who attended the dinner given by Geo. L. Shepley of Starkweather & Shepley, to his office force, at the Squantum Club, Providence river, R. I., pronounce it a "swell" affair. It was as unique as it was enjoyable.

NOTES FROM PHILADELPHIA.

Clarence A. Krouse has been given the sole agency of the Cosmopolitan Fire and the New Jersey Fire for Southern New Jersey. Wilbur Patton has resigned as counterman of the agency of R. H. Patton, and on Monday connected himself with the agency conducted by Mr. Krouse.

Edward Manœuvre, formerly local secretary of the American Fire of this city, has been placed in charge of the agency business of the Prevost & Herring office.

At the close of business August 2, 1906, the General Trust Company, the corporation which controls the Union and the Insurance Company of the State of Pennsylvania, makes the following statement:

ASSETS.	
Union Insurance Company, at cost.....	*\$446,247.50
Insurance Company of State of Pennsylvania, at cost.....	†409,863.20
United American Life Insurance Company, at cost.....	122,350.00
Miscellaneous assets	36,989.17
Cash and due company.....	58,485.83
	\$1,073,935.70
LIABILITIES.	
Capital stock	\$416,400.00
Bills payable	250,000.00
Surplus	*407,535.70
	\$1,073,935.70

* The Union Insurance Company's "investment cost" includes \$150,000 paid by the General Trust Company on account of the California loss, and the General Trust Company is liable for the payment of all balance of such loss. The payment by the General Trust Company is not marked off to loss account for the reason that it is made under contract with the Union Insurance Company, whereby the latter agrees to repay it with 6 per cent interest. The General Trust Company, owning only 84 per cent of the Union Insurance Company's stock, has only 84 per cent of the loss to bear.

† The "investment cost" of the Insurance Company of the State of Pennsylvania does not include the nearly \$1,000,000 value of French spoliation claims due this company by the United States Government, over \$200,000 of which have already been approved by the United States Court of Claims.

The June 30, 1906, statement of the Union shows assets of \$780,326 and a net surplus of \$14,527, and that of the Insurance Company of the State of Pennsylvania shows assets of \$848,342 and a net surplus of \$66,176. The General Trust Company owns eighty-four per cent of the stock of the Union and eighty-seven per cent of the stock of the Insurance Company of the State of Pennsylvania.

THE WEST.

Ohio Jottings.

[FROM OUR OWN CORRESPONDENT.]

A large force of men is at work putting in the high-pressure water pipes in Cleveland and it is hoped that the service will be ready in the fall. In case the improvements prove of sufficient merit, there is little doubt that the rates of insurance will be affected favorably to the insured. The addition of a special pumping station, however, would make the system of much more service. The plan is to supply the pressure from the fireboats until a pumping station can be built in connection with the group plan of public buildings. This would provide power and light also for the building.

The Ohio Fire Prevention Association will endeavor to interest the members of the Ohio Electrical Contractors Association in securing improvement in the installation of electric wires and devices with the idea of reducing the fire waste from the source. The president of the Fire Prevention Association has taken the matter up with the secretary of the contractors organization.

O. M. C.

Cleveland, September 3.

—Jeff F. Hicks has resigned as secretary of the Citizens Fire of Clarksville, Ark.

—The Queen City Fire of Sioux Falls is preparing to enter Missouri, Wisconsin, Indiana and Kentucky.

—The Midland National Fire of St. Louis and the American Guaranty Fund Mutual are in process of liquidation.

—Frank White, president of the Northwestern National Fire of Valley City, N. D., has been elected a member of the Western Union.

—De Roode, Faulkner & Ettelson of Chicago have been appointed Illinois general agents of the Lumber and the Adirondack of New York.

—The Springfield Fire and Marine has appointed H. E. Graves, a local agent at Parsons, Kan., its special agent to assist State Agent Leininger.

—R. S. Critchell, who was seriously injured in the Salisbury train wreck, is progressing favorably toward recovery, and hopes to start for home in a few weeks.

—Harry M. Coudrey, the well-known insurance man of St. Louis, has been renominated for Congress by the Republicans of the Twelfth District at direct primaries, without an opponent.

—Insurance Commissioner Davis of Nevada sent a communication recently to the London and Lancashire Fire, in which he threatened to revoke that company's license in Nevada unless it pays its San Francisco losses dollar for dollar.

—The aggregate premiums and losses in Indiana for the six months ending June 30, 1906, are as follows: Premiums, \$3,238,883; losses, \$1,315,351, or a loss ratio of 40.6. For the corresponding period in 1905 the figures were \$3,082,642 and \$2,347,263, or a loss ratio of 76.1.

—The investigation into the fire protection of Denver, Col., by the engineers of the committee on fire prevention of the National Board of Fire Underwriters has disclosed a severe conflagration hazard in the congested value district of that city. Utter lack of protection for horizontal and vertical openings, grouping of structurally weak and conflagration breeding blocks in the congested district, and to end to end exposures across narrow alleys, and excessive area, together with the limited strength of the fire department and the inadequacy of the fire alarm system are the features most prominent in creating the hazard.

THE SOUTH.

Ruling on Reinsurance Reserve.

In connection with the reinsurance of the Atlanta Birmingham's outstanding risks by the Prudential of Tazewell, Attorney-General Gulou of Louisiana recently gave the following opinion, regarding the transaction, in view of the heavy losses sustained by the Atlanta Birmingham in the San Francisco conflagration:

While it is true, these fire losses ought not to be paid, in my opinion, out of these unearned premiums or reinsurance reserve, so long as the outstanding policies entitled to participate therein have not expired, nevertheless the fire loss policyholders have an eventual interest therein which may be ultimately enforced against the same, whenever earned, as may be the case should such policies expire in whole or in part without loss by fire or without surrender or cancellation. It is this ultimate, eventual interest which the present fire loss policyholders have in this reinsurance reserve or unearned premiums which, in my opinion, would deny to the Atlanta Birmingham Company the right to deliver over this reserve to the West Virginia Company without the consent of the fire loss policyholders.

Holding these views the attorney-General is of opinion that the Prudential should not be licensed in Louisiana under the circumstances.

—G. L. Meyers & Co. of Memphis have been appointed Tennessee general agents of the Williamsburg City Fire.

—The Dixie Fire of Greensboro, N. C., has appointed Otis A. Murphy its special agent for Georgia and Alabama. Mr. Murphy was heretofore with the Virginia State.

—The South Carolina Association of Local Fire Insurance agents has elected the following officers: P. T. Hayne, president; Jas. Cofield, vice-president, and C. D. Simmons, Columbia, secretary and treasurer.

MISCELLANEOUS FIRE NEWS.

United States Business of Foreign Companies.

The London Times recently devoted nearly a page of its financial supplement to a contributed article on the subject of fire insurance in the United States and the relations of the foreign companies thereto. The writer says that the shareholders in British companies do not realize the risks to which their capital is exposed in consequence of the prevailing conditions in this country. He cites the losses incurred since the beginning of the present century by the conflagrations of Jacksonville, Baltimore and San Francisco, which aggregate £66,000,000, not counting several other large fires that would be called conflagrations anywhere else. He argues that the conflagration hazard is a con-

tinuing one, and that similar losses are liable to occur at intervals. He shows that the companies are obliged to lock up large sums as deposits in the various States for the privilege of doing business, after which they are assessed in every State for fees for this, that and the other, and to pay out liberally for taxes. He refers to the requirements and extortions to which the companies are subjected by the several State Departments, and in general concludes that the game is not worth the candle. In conclusion he says:

What has been written by no means exhausts the subject, but enough has been said to show some of the disadvantages to British offices of a large United States business. The San Francisco catastrophe might, if rightly used, afford a strong reason for taking stock of the situation. If, as would appear, no British fire office has made anything in the United States for the last ten years, and there are no reasons for anticipating any immediate change in conditions leading to a reversal of that experience in the future, then directors and shareholders may well ask whether the time has not come for a reform as far as the United States business is concerned. That business should be kept down to reasonable proportions, as compared with business from the rest of the world; the size of policies and amounts in conflagration areas in cities there should be reduced to figures more in accordance with the teachings of experience; a stringent earthquake clause should be insisted on in all localities subject to such disturbances; a close watch should be kept on salaries, expenses and luxurious office outlays; and any hostile, discriminatory or unjust legislation by any State should be at once followed by peremptory withdrawal from that State. These things should certainly be done if the British investor is not to go on risking his capital, in a not too friendly country, with all the odds against him.

The writer refers to The Spectator Company publication, "Fire Insurance Laws, Taxes and Fees," which he says contains 362 pages, "occupied by a bare recital of what is demanded of the various companies under penalty."

Frank Lock, United States manager of the Atlas, has published a reply to The Times article, in which he takes issue with the writer upon the general outlook for the foreign companies. Among other things he says:

Not, however, going into details of statistics, but taking issue on the present position brought about by recent conflagrations, the conditions do not seem to me at all so bad as represented. It should be borne in mind that an interval of some thirty-two years occurred between the Chicago and Boston conflagrations before another conflagration of the first magnitude came to us at Baltimore in 1904. To estimate what was accomplished in that generation, it is necessary to compare the position of the companies in 1872 with their condition in 1905. The difference is striking. In 1872 the field was strewn with the dead, maimed and crippled; in 1905 the field was occupied with an army of giant companies. The American companies acquired their power from American business in the generation between conflagrations. Many of the foreign companies also derived their substance in large measure from the same source, in the same time.

It might have been argued in 1872 that the insurance business was desperate and hopeless because of Chicago and Boston, but as a matter of fact, the best period for fire insurance business in this country followed. So to-day our pessimistic friend sees only black disaster, but arguing from analogy, there should be a good period ahead, notwithstanding San Francisco, or rather in consequence of San Francisco.

I disagree with the correspondent that the conflagration hazard is more serious than in past years. On the contrary, I believe that in most cities the elements of construction and protection are better and are getting better in a marked degree. A high order of expert talent, through the "Committee of Twenty" of the National Board, has thoroughly pointed out defects as never before, but the defects have been there in more accentuated form in all the preceding years, while the remedies were not clearly discerned. Superior construction, sprinkler equipments, improved fire departments and water supply, with other factors, are impressing their mark in all the principal cities and erecting bulwarks against conflagrations.

The San Francisco disaster does not weaken the force of the foregoing. Caused by earthquake, which produced the fires and destroyed the means of combating them, there was revealed a hazard not contemplated, for which the companies never received premium, and which they would not have assumed had they possessed foreknowledge. It is unfair to charge the United States generally with the results of this earthquake. Such a contingency is limited to a comparatively small area, and the course to adopt in the light of it would seem to be either (a) a stringent earthquake clause, or (b) a round rate of premium for the hazard and restricted lines, such as underwriting prudence would dictate, or (c) retirement from the earthquake zone.

Even with the staggering bill which we now have to foot, the condition of the companies in the United States is vastly different and superior to-day as compared with the previous conflagration era of 1872, and it is reasonable to assume that the period of reconstruction now to come, if not entirely analogous to the years following Chicago and Boston, will nevertheless be sufficiently marked to rehabilitate companies within a measurable time.

—The Glens Falls, through J. L. Whitlock, its Western department manager, recently sent out circular letters to its agents and patrons, advising them that by the close of September its adjusters will have finished their work in San Francisco, and will have distributed, in the aggregate, about \$1,000,000 to nearly 700 policyholders.

Marine and Inland Insurance in the United States in 1905.

In the following table will be found data indicating the extent of the marine and inland insurance transactions in the United States in 1905 of the respective companies writing that class of business:

NAME AND LOCATION OF COMPANY.	Net Premiums Written.	Losses Incurred.	Ratio of Losses to Premiums.	Risks in Force Dec. 31.	Unearned Premiums, Dec. 31.
	\$	\$		\$	\$
Aetna, Hartford.....	371,188	214,326	57.7	265,358	132,679
Alliance, Berlin.....	46,640	*67,170	144.0	.....	.....
Alliance, Philadelphia.....	84,246	54,176	64.3	42,021	42,021
Alliance Marine & General, London.....	19,982	*23,100	115.6	.....	.....
American & Foreign Marine, N. Y.....	170,625	79,142	46.3	2,120,834	26,610
Atlantic Mutual Marine, New York.....	2,746,974	*914,482	33.3	127,661,651	581,763
Australian Alliance, Melbourne.....	25,200	*19,927	79.1	.....	.....
Austrian Phoenix, Vienna.....	50,080	*56,453	112.7	.....	.....
Bluff City, Memphis.....	2,575	*358	13.9	.....	.....
Boston, Boston.....	1,125,476	600,494	53.3	677,972	412,927
British America, Toronto.....	206,473	216,387	104.8	95,162	49,432
British & Foreign Marine, Liverpool.....	725,406	*387,721	53.4	13,924,330	159,557
California, San Francisco.....	16,209	*326	2.0	.....	.....
Canton, Hong Kong.....	60,522	*67,142	110.9	.....	.....
China Mutual, Boston.....	280,582	209,653	74.7	8,534,549	128,088
China Traders, Hong Kong.....	3,329	*12	0.4	.....	.....
Citizens, St. Louis.....	89	.....	.....	.....	.....
Columbia, Jersey City.....	106,458	74,838	70.3	102,279	51,139
Commercial Union, London.....	193,632	275,711	142.4	74,225	54,501
Detroit Fire & Marine, Detroit.....	55,193	66,979	121.3	33,269	16,634
Equitable Fire & Marine, Providence.....	20,476	10,727	52.3	15,131	7,783
Eureka Fire & Marine, Cincinnati.....	839	*883	105.2	.....	.....
Federal, Jersey City.....	786,054	488,711	62.1	134,553	106,978
Firemans Fund, San Francisco.....	718,708	504,191	70.1	359,288	359,288
Fonciere, Paris.....	37,817	*50,370	133.2	.....	.....
General, Dresden.....	202,059	98,534	48.7	2,820,817	16,813
Gloucester Mutual, Gloucester.....	45,802	39,176	85.5	.....	.....
Hibernia, New Orleans.....	391	*20	5.0	.....	.....
Home, New York.....	267,446	187,164	69.9	323,109	193,426
Home Fire & Marine, San Francisco.....	34,884	30,745	88.1	26,013	26,013
Indemnity Mutual Marine, London.....	291,617	*167,825	57.5	6,962,985	73,257
Ins. Co. of No. America, Philadelphia.....	1,865,013	1,231,729	66.0	374,651	374,651
London, London.....	363,640	215,617	59.3	97,247	58,633
London & Provincial, London.....	10,069	*18,797	188.0	.....	.....
Louisville, Louisville.....	1,356	.....	.....	.....	.....
Lumbermens, Norfolk.....	15,834	*7,960	50.2	.....	289
Mannheim, Mannheim.....	572,321	310,795	54.2	19,886,872	100,594
Man On, Hong Kong.....	1,084	*316	17.5	.....	.....
Marine, London.....	696,123	320,596	46.0	59,110	61,786
Maritime, Liverpool.....	39,949	*43,417	108.8	.....	.....
Mechanics & Traders, New Orleans.....	4,724	2,466	52.2	.....	.....
Merchants, Bangor.....	78,005	39,341	50.4	677,019	48,479
New Zealand, Auckland.....	20,844	*20,155	96.7	.....	.....
Nord Deutsche, Hamburg.....	20,983	*4,806	22.9	.....	.....
North China, Shanghai.....	42,287	*19,743	46.7	.....	.....
Northwestern National, Milwaukee.....	21,959	28,131	128.1	22,688	11,344
Ocean Marine, London.....	208,722	*137,567	65.8	3,446,278	42,331
Phoenix Fire & Marine, Memphis.....	1,739	*740	42.5	.....	.....
Providence Washington, Providence.....	350,766	228,619	65.1	206,186	105,938
Prussian National, Stettin.....	1,983	60	3.0	1130	7
Reliance Marine, Liverpool.....	175,890	*104,793	59.5	2,739,512	28,723
St. Paul Fire & Marine, St. Paul.....	400,406	342,664	85.5	98,153	49,077
Sea, Liverpool.....	603,311	*272,926	45.2	15,208,976	101,196
Security, Cincinnati.....	697	*893	127.9	.....	.....
Security, New Haven.....	18,455	11,334	61.4	12,704	6,394
Southern, New Orleans.....	3,319	790	23.8	.....	.....
Standard Marine, Liverpool.....	794,452	587,526	73.9	19,291,330	102,570
Stonewall, Mobile.....	6,067	*320	5.2	.....	.....
Sun, New Orleans.....	14,119	*3,678	26.0	.....	.....
Swiss Marine (Combined).....	174,467	*91,416	52.4	.....	.....
Switzerland General, Zurich.....	214,255	*170,326	79.5	2,705,878	30,854
Teutonia, New Orleans.....	20,342	6,913	33.9	.....	.....
Thames & Mersey, Liverpool.....	544,528	*331,950	60.9	7,545,618	96,714
Union, Bangor.....	108,497	69,799	64.3	968,375	74,825
Union Marine, Liverpool.....	393,766	339,962	86.3	8,365,037	80,041
United States Lloyds, New York.....	813,955	*606,570	74.5	.....	316,866
Universo Marine, Milan.....	10,195	*10,869	106.6	.....	.....
Upper Rhine, Mannheim.....	60,458	*69,272	114.6	.....	.....
Western, Toronto.....	405,027	407,815	100.6	144,488	76,940
Wilhelm, Magdeburg.....	9,989	*13,589	130.0	.....	.....
World Marine.....	9,213	*2,116	23.0	.....	.....
Yang Tsze, Shanghai.....	52,507	*47,725	90.9	.....	.....
Totals.....	17,871,291	11,030,834	61.7	246,023,675	4,207,161

* Losses paid.

A Surplus Line Company to Test New York Law.

[TO THE EDITOR OF THE SPECTATOR.]

I call your attention to an item appearing in your issue of August 30, in which you favor me with mention in connection with the late ruling of the Insurance Department of the State of New York, affecting the transaction of business within the State of New York by companies not licensed by that State, referring to what is commonly understood as "surplus line" business.

Your three-sentence paragraph is amusing. The first sentence is entirely correct; the second is quite at variance with the terms of my letters to Starkweather & Shepley, Weed & Kennedy and others, and the information contained in the third sentence is news to me, as I was of the opinion that there was no conference. In fact, all of the gentlemen addressed appear to be of the opinion that they are beyond the law and immune from the ruling of the Insurance Department, and your direct statement to the effect that the Department of Insurance of the State of New York cherishes no hostility toward violators of the insurance laws of this State tends to that end.

It is my opinion, I have advised a certain "surplus line" company, that the law in question is invalid, and we are joining issue with the Department to have the question settled by the courts. Realizing that there are many attorneys far more experienced and able than the writer, it was, and still is, my desire to

offer the surplus line operators in this city an opportunity, through their individual counsel, of having full and exhaustive consideration given to all arguments which may be made against that law upon the first case which will be submitted to the court some time during the month of October. At the present time there is only the authority of the Attorney-General's opinion rendered in 1902, in the matter of McKelway & Mattocks, to the effect that a foreign fire insurance company having an office in this State and writing and issuing policies in this State upon property situated without this State, is transacting the business of insurance within this State.

It is against this ruling I contend upon questions of law only, not upon the necessity or demand for this class of indemnity; the former is all the courts will consider; the latter must be addressed to the legislature if necessary.

For the reason stated, and for that reason only, I have made an offer to the surplus line operators, it continues open; and, permit me to say it, every one of them will assist in the attack upon the laws in question, or they will meekly bow to the ruling and retire from business, for it is my intention to see that the Department is informed of the methods of all the large offices; that is, that common law proof is put before the Department showing that the persons in question are doing some acts within New York State in aid of the transaction of business by non-admitted companies on business outside of the State. Your assurances that the Insurance Department will pat violators of the law upon the back and approve of their course may not be as conspicuous when you find that the Department will see to it that the laws of this State are enforced. For the sake of truly stating the position of the Department and maintaining the high regard your paper now has for publishing only reliable news, I very respectfully suggest you seek your counsel's advice on the law, rather than express the general views of interested operators, whose common desire is father to their belief; for in this instance the layman's views can only be addressed to the legislature to secure a modern, intelligent insurance law.

While writing, I might as well state that it would be absolutely of no advantage to me in any litigation now pending or contemplated to represent more companies than those I now represent. The service I will be called upon to render will be the best I can render; it will be fairly remunerative, and it would be no advantage whatever to involve other companies were it not that other and more able counsel would be drawn to the defense of all the companies engaged in the surplus line business. Truly yours,

September 1, 1906.

HOLMES JONES.

Brooklyn Fire Premiums.

The following are the returns for the fire patrol district of Brooklyn for the first six months of 1906, as reported to the Fire Insurance Salvage Corps of Brooklyn. Only companies reporting premium receipts of \$2500 or over are mentioned. The figures for the corresponding period of 1905 are given for comparison:

NEW YORK CITY COMPANIES.	1906.	1905.	AMERICAN CENTRAL.	1906.	1905.
Assurance Company.....	\$4,086	\$6,724	American, Newark.....	14,428	11,613
British-American.....	6,697	5,679	Atlanta Birmingham.....	10,988	8,741
City of New York.....	8,086	4,989	Ben Franklin.....	3,488	4,934
Colonial.....	8,640	7,836	Boston.....	7,497	5,105
Commercial Union.....	3,619	2,549	Buffalo.....	10,821	12,821
Commonwealth.....	6,982	7,100	Buffalo Commercial.....	5,565	540
Continental.....	75,979	49,491	Buffalo German.....	14,685	803
Eagle.....	14,515	12,477	Camden.....	14,062	12,622
Empire City.....	5,869	4,483	Citizens, St. Louis.....	9,493	11,462
Germania.....	41,973	35,317	Commerce, Albany.....	3,557	2,850
German Alliance.....	8,210	6,909	Concordia.....	9,402	7,063
German-American.....	111,337	72,775	Connecticut.....	24,443	16,892
Globe and Rutgers.....	42,414	39,671	County Fire of Phila.....	3,710	3,566
Hamilton.....	365	1,348	Delaware, Dover.....	10,083	.....
Hanover.....	19,639	37,690	Delaware, Philadelphia.....	5,540	4,310
Home.....	106,685	88,740	Detroit F. & M.....	2,590	2,487
Nassau.....	19,651	11,272	Eastern, Atlantic City.....	3,668	3,181
N. Y. Underwriters Agcy.....	29,863	21,144	Equitable F. & M.....	10,693	9,791
Niagara.....	53,591	39,409	Farmers, York.....	3,268	3,473
North British & Merc.....	9,647	12,514	Fire Association.....	17,989	10,088
Northern.....	15,297	15,362	Firemens.....	24,000	19,718
North German.....	14,621	8,839	Firemens Fund.....	12,181	14,953
North River.....	21,068	22,580	Franklin, Philadelphia.....	16,279	8,356
Pacific.....	11,757	10,731	German, Freeport.....	21,130	16,180
Pelican.....	3,407	5,115	German National.....	5,980	3,728
Phenix.....	106,706	76,123	German, Pittsburgh.....	3,467	2,973
Queen.....	22,787	19,151	German, Peoria.....	7,962	5,724
Stuyvesant.....	11,864	12,333	Georgia Home.....	3,613	3,068
Westchester.....	30,274	22,512	Girard F. & M.....	3,291	2,498
Williamsburgh City.....	39,054	27,275	Glens Falls.....	15,850	8,855
LLOYDS.			Granite State.....	8,410	2,476
American Lloyds.....	2,974	6,867	Hartford Fire.....	52,564	34,433
Individual Underwriters.....	7,055	11,627	Indianapolis.....	2,398	1,630
N. Y. Reciprocal Und.....	17,012	14,237	Ins. Co. of North Amer.....	20,927	17,464
N. Amer. Inter. Insurers.....	6,590	9,472	Jefferson.....	13,440	.....
FOREIGN COMPANIES.			Mechanics.....	3,960	3,520
Aachen & Munich.....	6,803	6,866	Mechanics & Traders.....	6,247	7,052
Alliance.....	7,069	7,777	Mercantile F. & M.....	4,415	4,847
Atlas.....	12,208	11,048	Metropolitan.....	3,413	.....
British America.....	14,771	10,141	Michigan Commercial.....	3,336	.....
Caledonian.....	19,463	17,839	Milwaukee Mechanics.....	3,213	825
Commercial Union.....	32,451	29,872	National, Alleghany.....	2,588	840
Hamburg-Bremen.....	22,376	27,363	National, Hartford.....	24,285	25,313
Law, Union & Crown.....	8,380	6,729	National Union.....	11,800	11,613
Liv. & Lon. & Globe.....	118,921	81,811	New Brunswick.....	6,000	.....
London.....	16,986	13,307	New Hampshire.....	24,555	16,026
London & Lancashire.....	27,393	21,681	Northwestern National.....	11,956	8,927
North British & Merc.....	52,940	46,767	Orient.....	8,859	10,365
Northern.....	32,053	23,326	Pennsylvania Fire.....	37,947	34,566
Norwich Union.....	21,965	19,820	Phenix.....	24,656	18,554
Palatine.....	5,570	8,630	Providence Washington.....	16,205	11,162
Phoenix.....	20,552	25,234	Reliance.....	6,587	6,383
Prussian National.....	9,567	6,676	St. Paul F. & M.....	21,601	15,381
Royal.....	68,924	52,950	Security, New Haven.....	3,400	5,412
Royal Exchange.....	32,331	40,494	Springfield F. & M.....	28,646	27,838
Scottish Union & Nat'l.....	24,493	16,892	Spring Garden.....	8,869	10,521
Sun.....	35,019	30,392	Star, Louisville.....	14,135	12,120
Svea.....	4,244	5,474	Teutonia, Alleghany.....	5,276	.....
Union.....	27,689	14,230	Union, Buffalo.....	3,534	7340
Western.....	23,805	22,621	Union, Philadelphia.....	11,251	3,195
AGENCY COMPANIES.			United Firemens.....	4,293	4,447
Aetna.....	35,356	30,382	Virginia F. & M.....	8,205	3,444
Agricultural.....	8,223	9,632	RECAPITULATION.		
Albany.....	9,189	8,823	Agency companies.....	792,592	630,135
Allemania.....	4,040	2,178	Foreign companies.....	650,121	555,089
Alliance.....	5,556	5,296	Local companies.....	905,382	763,097
			Totals.....	\$2,348,095	\$1,948,321

VARIOUS ITEMS.

—What is reported as one of the finest municipal fire and police department call systems in the country has been installed at Scranton, Pa.

—The Fidelity Fire of New York has been admitted to California and appointed Raschen & Meltman its agents at San Francisco.

—Judge Morrow of the United States Circuit Court in San Francisco has directed that jurors for the insurance cases in his court shall be drawn from outside of San Francisco.

—The Baloise of Basle recently notified Weed & Kennedy of New York that since the first of May, 1905, it has discontinued writing business in the Republic of Chili owing to the high deposit required by the Chilian Government.

—Belden & Bush, Western managers of the Fire Association, have been given jurisdiction over the Pacific Coast territory, heretofore managed by Gutte & Frank. Frank M. Avery has been appointed State agent for the added field.

—The Surveyor Insurance Directory of New York and New Jersey, for 1906, has been published by A. G. Hall. It comprises lists of the companies and agents operating in the two States named, together with other information calculated to be useful to underwriters.

—Half of the new capital stock of the Rochester German has been called and paid in. The remaining half will be payable on September 30, at the National Bank of Rochester. This will give the company a capital stock of \$500,000 and a net surplus of \$500,000, after all its California losses have been paid.

Casualty, Surety and Miscellaneous

Pacific Mutual's New Line.

The Pacific Mutual Life announces the issuance of an entirely new edition of accident and health policies, of which the following is a summary:

Form A-5 combination accumulative accident (replacing former No. 21); double benefits (including horse); ten per cent increase for five years in life, limb and sight benefits; beneficiary insurance for all traveling accidents (including horse); identification benefits \$100; optional indemnities, physician's fees up to \$25 for non-disabling injuries; surgeon's fees or hospital expenses. Issued to select and preferred classes only. Rate, \$25 for \$5000 principal sum.

Form A-4 accumulative disability (replacing former No. 23). This policy is identical with form A-5, but in addition insures against effects of any disease, including paralysis, blindness, quarantine, etc. Issued to select and preferred classes only. Rate, \$60 for \$5000, general accidents.

The balance of the line comprises the following contracts: Life and limb policy, sold to men and women at \$3 a thousand. Special limited health policy, covering forty-one diseases, with allowance for convalescence and confinement within house. Rate \$10 for each \$25 weekly. General accumulative accident, issued to all classifications and women. Rate, select, \$4 a thousand. Full health policy, covering total disability and convalescence, quarantine, etc. Rate, select, \$40 for each \$25 weekly. Combination ten per cent increase accident policy, rate \$6 a thousand. Combination ten per cent increase and disability, rate \$65 for \$5000 and \$25.

All the above named policies are issued from a uniform policy record, signature of applicant not required.

Policies covering health or beneficiary insurance (except form A-5), will be issued for annual premiums only.

Greatest amount of principal sum, one life, \$10,000 (general accidents).

Women insured only as beneficiaries, except under form A-1 and A-3.

Physicians, surgeons, dentists and undertakers charged preferred rate, special provision being made when requested for septic poison.

The Detroit Conference.

At the recent meeting of the Detroit conference, composed of companies writing industrial, sickness and accident insurance, the principal work was done in preparing for the construction of a new policy which will be simple and fair, and in fact standard. The special committee will report a new policy at the November meeting, and if possible the new contract will be put into use the first of next year. The remarks of the president and of several of the members emphasized what they described as a tendency to liberalize policies and at the same time depend upon the claim department to see that these liberal features do not draw too heavily upon the company's resources. The demand of many members now is "Tell the policyholder just what you will do in the contract and then do just what you say." The work of tabulating the experience of the membership companies has been taken up in earnest and all the members have been furnished with cards upon which to tabulate the results of their underwriting methods. The law committee had under consideration the establishment of a central law bureau to aid the companies in the adjustment of claims in isolated territory. This, the com-

mittee reported, was impracticable. The conference lost six members during the past year; five through reinsurance and retirement and one small concern resigned.

The Maryland Casualty's New Liability Policies.

The Maryland Casualty has come forward with a new set of liability insurance contracts which the officers of that company are confident will prove of considerable interest to underwriters of this line. The new policy is designed to do away with everything which may possibly cause disputes or litigation and is sold at an advanced rate. The manufacturers employers policy form is as follows, the other forms being different only in so far as changes are necessary to suit the various hazards.

MANUFACTURERS EMPLOYERS LIABILITY POLICY.

In consideration of.....dollars (\$.....) initial premium, which is based on an estimated pay roll which includes all compensation of every kind earned by all employees and officials, and which premium is calculated at the rate of per \$100 of said compensation, and is to be adjusted, at the same rate, after the termination of this policy, on the actual compensation earned by all employees and officials of every kind during the policy period, the Maryland Casualty Company of Baltimore, herein called the company, hereby agrees to indemnify..... of..... county of..... State of..... herein called the assured, for a period of..... months, beginning on the..... day of....., 190.., noon, and ending on the..... day of....., 190.., noon, standard time, at the place where this policy has been countersigned, against loss from the liability imposed by law upon the assured for damages on account of bodily injuries, including death resulting therefrom, accidentally suffered while this policy is in force by any employee or official, or employees and officials, of the assured while the said employees or officials are engaged in the occupations connected with the business of a..... including ordinary repairs when made by the regular employees of the assured.

The company's liability for loss from an accident resulting in bodily injuries, including death resulting therefrom, to one person is limited to.....dollars (\$.....), and, subject to the same limit for each person, the company's total liability for loss from an accident resulting in bodily injuries, including death resulting therefrom, to more than one person is limited to.....dollars (\$.....).

Immediate notice of any accident and of any suit resulting therefrom, with every summons or other process, must be forwarded to the home office of the company or to its authorized representative; the company will investigate all accidents and defend all suits, of which such notices are given to it, and pay all judgments recovered against the assured in such suits up to the said limits.

The company will, in addition to the said limits, pay all expenses incident to claims under this policy, upon the assured on account of bodily injuries, including death resulting therefrom, provided such expenses are incurred by the company or with its consent.

Within sixty (60) days after the termination of the policy period the assured shall furnish to the company a statement of all compensation of every kind earned by all employees and officials during the policy period. An authorized representative of the company may examine the books and records of the assured as respects said compensation, if said examination be made within twelve (12) months after the termination of the policy.

This policy may be canceled by either the company or the assured at any time by written notice to the other, stating when the cancellation shall be effective. If canceled by either, the company shall be entitled to the earned premium, calculated pro rata, as indicated by the actual compensation earned by all employees and officials of the assured during the time the policy shall have been in force. The company's check mailed to the address of the assured shall be sufficient tender of return premium, but no return premium shall be payable until a statement of the actual compensation earned by all employees and officials of the assured during the period the policy shall have been in force shall have been furnished to the company by the assured.

The minimum premium for this policy is.....dollars (\$.....). In witness whereof, the Maryland Casualty Company has caused this policy to be signed by its president and secretary at Baltimore, Md., but the same shall not be binding upon the company unless countersigned by a duly authorized representative of the company.

Casualty Notes.

—The "Pratt Shyster Lawyer Bill" is before the Maryland Legislature and action upon it is expected in the near future.

—The North American Accident has under way a plan for issuing accident policies by use of a slot machine. It is said that a large number of these machines have been ordered and will be placed at railroad stations and in hotels. Twenty-five cents is the fee for a \$2500-\$5000 accident policy.

—The American Assurance Company of Philadelphia has been admitted to Illinois. When this company applied for admission it was denied by the Department owing to the Illinois law which prohibits one company from issuing a combination accident, health and life policy. A friendly suit was instituted and the court held that such a combination policy might be issued.

Surety Notes.

—W. Herbert Stewart, secretary of the Illinois Surety, has resigned.

—The general agents of the Metropolitan Surety Company will meet at the Auditorium in Chicago on September 15.

—Troxell, Kirkendall & Co. become agents of the Title Guaranty and Surety at Springfield, Ill., succeeding Kissanger & Co.

—The Messer-Moore Insurance and Real Estate Company of Birmingham, Ala., will hereafter also represent the Empire State Surety in Alabama and Mississippi for bonding, fidelity, plate glass, personal accident and burglary. The firm heretofore represented the Empire State Surety for liability and steam boiler in Alabama.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Buffalo Commercial Insurance Company, Buffalo, N. Y.

Semi-annual statement as of July 1, 1906: Assets, \$593,675; reinsurance reserve, \$232,333; net surplus, \$136,057.

Capital Fire Insurance Company, Concord, N. H.

Semi-annual statement, July 1, 1906: Assets, \$670,789; reinsurance reserve, \$285,622; net surplus, \$112,463.

Colonial Assurance Company, New York.

Semi-annual statement, July 1, 1906: Assets, gain of \$38,000 during the six months, and a net surplus of \$125,000.

Georgia Home Insurance Company, Columbus, Ga.

Semi-annual statement, July 1, 1906: Assets, \$1,035,000; reinsurance reserve, \$376,684; net surplus, \$262,833.

Hamilton Fire Insurance Company, New York.

Semi-annual statement, July 1, 1906: Assets, \$320,069; reinsurance reserve, \$55,467; net surplus, \$46,593.

Humboldt Insurance Company, Allegheny, Pa.

Semi-annual statement, July 1, 1906: Assets, \$682,711; reinsurance reserve, \$203,279; net surplus, \$255,662.

La Polar Insurance Company, Bilbao, Spain.

As of December 31, 1905, this company's balance sheet showed a capital of \$10,000,000, represented by notes protected by securities deposited to the value of \$13,237,813, and \$10,000,000 additional subscribed; securities in hand (English, Indian, German, Belgian and Spanish consols), \$782,661; other assets, \$438,092; total assets, except subscribed capital, \$11,220,753; reserve for unexpired risks, \$633,136; outstanding losses, \$57,250; bills in circulation, \$712,633; other liabilities, \$217,810; capital, \$10,000,000; total, \$11,620,829. The company lost about \$400,000 in 1905 through its British marine agency, which has now been closed.

Lumber Insurance Company, New York.

Semi-annual statement, July 1, 1906: Assets, \$413,792; reinsurance reserve, \$76,805; net surplus, \$130,702.

Manufacturers Lloyds, New York.

Semi-annual statement, July 1, 1906: Assets, \$69,395; reinsurance reserve, \$18,758; net surplus, \$41,609.

Merchants Insurance Company, Philadelphia, Pa.

It is expected that the new fire company of the above name being promoted by John Welsh Dulles, formerly president of the Insurance Company of the State of Pennsylvania, will be fully organized and writing business by November 1. The company is to have a capital of \$500,000 and a like amount of surplus.

Millers National Insurance Company, Chicago, Ill.

Semi-annual statement, July 1, 1906: Assets, \$1,559,382; reserve, \$182,294; net surplus, \$763,566.

National Lumber Insurance Company, Buffalo, N. Y.

Semi-annual statement, July 1, 1906: Assets, \$291,017; reinsurance reserve, \$41,263; net surplus, \$48,839.

Netherlands Lloyd Insurance Company, Amsterdam, Holland.

The balance sheet of this company as of December 31, 1905, shows assets amounting to \$2,696,897 (including \$1,496,000 of stockholders' notes); capital, \$1,700,000; premium reserves, \$336,051; loss reserves, \$172,599; reserve fund and special reserve, \$95,398; profit balance, \$93,076.

Olympic Fire and Marine Insurance Company, Fort Smith, Ark.

T. J. Turner has succeeded L. W. Lowry as secretary. The company advises us that included in the real estate are seventy-two city lots and three town lots; also that its reinsurance reserve, calculated at 50 per cent of premiums on risks in force, amounted to \$4668.

Pacific Fire Insurance Company, New York.

Semi-annual statement, July 1, 1906: Assets, \$631,266; reinsurance reserve, \$209,837; net surplus, \$143,769.

Petersburg Savings and Insurance Company, Petersburg, Va.

Semi-annual statement, July 1, 1906: Assets, \$3,229,295; reinsurance reserve, \$77,629; net surplus, \$489,396.

Republic Fire Insurance Company, Norfolk, Va.

This company will increase its capital from \$50,000 to \$200,000, and its surplus from \$25,000 to \$100,000.

Rhine and Moselle Insurance Company, Strasburg, Germany.

The Rhine and Moselle has absolutely refused to pay its San Francisco losses, and has withdrawn from California. The company is willing to pay 50 per cent on all policies of \$500 or under, provided the policyholders are not insured in other companies. All others must bring suit against the company in the Federal courts, as the Rhine and Moselle will pay no attention to suits in the State courts.

Riunione Adriatica di Sicurtà, Trieste, Austria.

Statement as of December 31, 1905, shows \$6,009,743 of assets, with liabilities (including \$1,600,000 capital) amounting to \$5,701,158.

Scottish Union and National Insurance Company, Edinburgh.

Semi-annual statement, July 1, 1906 (United States branch): Assets, \$5,628,368; unearned premiums, \$1,745,680; net surplus, \$2,232,179.

Shawnee Fire Insurance Company, Topeka, Kan.

The semi-annual statement of this company as of July 1, 1906, shows assets amounting to \$941,028; reinsurance reserve (New York standard), \$536,516; total liabilities, except capital, \$565,750; net cash surplus (New York standard), \$175,277.

Stuyvesant Insurance Company, New York.

Semi-annual statement, July 1, 1906: Assets, \$603,847; reinsurance reserve, \$212,037; net surplus, \$52,490.

Traders Mutual Fire Insurance Company, Philadelphia, Pa.

An examination of this company by the Pennsylvania Insurance Department as of July 31, 1906, shows that it then had assets consisting of 44 cents in cash, and premiums outstanding, not over three months due, \$1249. It also had premiums outstanding, over three months, amounting to \$1395 (this latter item not being included among admitted assets). Its liabilities embraced \$3300 of unpaid losses, and \$160 of borrowed money. The insurance in force amounted to \$377,447. The company issues cash policies (with assessment liability limited to \$1); cash, with five times assessment liability, and unlimited assessment policies. Its income in the first seven months of 1906 aggregated \$2430, comprising premiums, \$2270, and borrowed money, \$160. Its disbursements during the same period were: Losses, \$190; commissions, \$808; salaries, \$922; other expenses, \$661; total, \$2581. More than all of the premium receipts appears to have gone for salaries, commissions and expenses, while borrowed money provided for most of the loss payments.

Virginia State Insurance Company, Richmond, Va.

Semi-annual statement, July 1, 1906: Assets, \$744,854; reinsurance reserve, \$293,840; net surplus, \$123,355.

Yang-Tsze Insurance Association, Ltd., Shanghai, China.

This company's balance sheet as of December 30, 1905, shows \$2,167,394 of assets; paid-up capital, \$480,000; reserve fund, \$750,000; reinsurance fund, \$61,278; exchange and investment fluctuation accounts, \$15,528; balance of working account, \$855,681; unpaid dividends, \$4907. Its net premiums in 1905 were \$931,714; total income, \$1,030,988; losses paid, \$347,102; expenses, \$151,552. (The above amounts represent Chinese dollars, worth about 50 cents each in American money.)

TOO LATE FOR CLASSIFICATION.

Will Insure Bank Deposits.

The American Bonding Company has notified its agents that in the future it will guarantee bank deposits. The bonds are to be limited to amounts not exceeding \$5,000, although it is stated that the company may make exceptions. The rate is one-fourth of one per cent of the amount of deposit with a minimum premium of \$5. It will not insure deposits in private banks and building and loan associations. A clause in the bank deposit bond provides that the company may at any time, by giving five days' notice, cancel the bond and relieve itself of all liability. In the case of a failure of a bank the company undertakes to pay depositors the full amount of deposit, and depositors shall assign to the bonding company all interest in the deposits.

—The New York State Assessors have informed the Surrogate of their decision that life insurance policies issued by New York companies to non-residents of the State are not taxable under the inheritance tax law.

—Attorney-General Mayer has rendered an opinion in which he holds that, unlike the New York State companies, the foreign companies operating in New York may issue both participating and non-participating policies, and are not required to conform to the standard policy forms prescribed for the domestic companies.

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THE SPECTATOR, established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.

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VOL. LXXVII. THURSDAY, SEPT. 13, 1906. No. 11.

IMPARTIALITY IN SAN FRANCISCO LOSS TRIALS.

THE recent announcement by Judge Morrow, of the San Francisco Circuit Court, to the effect that all insurance cases tried in his court will be argued before juries drawn from outside of San Francisco, indicates a desire to secure impartial verdicts in such cases. The jurisdiction of the Northern Circuit Court, over which Judge Morrow presides, extends over forty-one counties, from any part of which juries may be impaneled. Regarding the assertions of some Eastern and European papers that a fair trial cannot be had in San Francisco for insurance companies, Judge Morrow says:

These insurance cases are going to turn very largely on questions of fact, and some of the judgments in them will doubtless be taken to Germany. The German people will be much more impressed with a verdict against a company, should such a verdict be given, if it is rendered by citizens who do not reside in San Francisco. It is probable that they will say that it is due to bias, no matter how fair it may be regarded here, if the jury is composed of San Francisco men. Then, too, our Eastern critics say that we are unreasonable and are bent on despoiling the insurance companies. Let us give them a fair deal and show them that we only want what is just and right. On the other hand, it may be that in some parts of the district there are men who have a feeling of some sort against San Francisco. We hear once in a while of such local prejudices. It would be wise, of course, not to have such citizens as jurors in these cases. The purpose is to secure impartiality.

Judge Morrow's plan should commend itself to all fair-minded men, whether interested as insurer or insured, or not. However, it remains to be learned whether California citizens, residing outside of San Francisco, will or will not permit their sympathy for their afflicted neighbors to overrule their sense of justice.

THE fire loss statistics for the United States and Canada, compiled by The Journal of Commerce and Commercial Bulletin, show a gratifying decrease for the month of August, 1906, as compared with the corresponding month in 1905, last month's losses having been but \$9,641,600, compared with \$11,435,600 the year before. The losses for the first eight months of 1906 reach the enormous aggregate of \$389,735,200, against only \$117,720,750 in the corresponding period of 1905, and \$194,172,850 in the first eight months of

1904 (including the Baltimore, Rochester and Toronto conflagrations). If the losses during the last four months of this year are about normal, the total for the year will probably not exceed \$450,000,000. That the majority of the fire insurance companies will survive, with three years' fire losses amounting to nearly \$800,000,000, speaks well for their management.

IT seems strange that a fire should devour several buildings located in Long Island City within a few hundred feet of Newtown creek, and but a few blocks from the East river, because of a deficiency in the water supply; but such an event occurred on Monday night last. The 18-inch water main passing through Borden street was quickly pumped dry by the first engines to arrive, and it was only the good work of the fire-boats, drawing their water from Newtown creek, that prevented further damage being done. Perhaps it would be feasible to better protect that neighborhood, and some other sections near tidewater, by laying pipes tapping the salt water, for use as emergency supplies. This could probably be done at relatively little expense without stationary pumping plants, the fire engines pumping from such mains and supplying the pressure for hose streams. Had such mains been available, with an inexhaustible supply of salt water, much of the loss due to Monday's fire might have been averted.

TEN YEARS OF FIRE AND MARINE INSURANCE.

THE following computation of the business transacted by all the fire, fire-marine and marine companies operating in the United States during the decade ending December 31, 1905, together with that of all mutual companies possessing individual cash assets of \$15,000 or upward, shows that the net premiums received during the period named amounted to \$2,020,087,576, and the total income aggregated \$2,201,282,099. Out of this latter sum, \$1,081,871,703 were paid for losses, \$174,462,870 for dividends, and \$703,975,905 for expenses; the total disbursements amounting to \$1,960,310,478. The excess of income over disbursements for the ten-year period was \$240,971,621, of which amount \$93,316,651 went to augment the net surplus, and the remainder—after allowing for depreciation of securities, etc.—was offset by the growth in liabilities.

The number of stock companies transacting business in the United States during 1905 was thirty-three in excess of the number operating in 1895; the aggregate capital invested showing an increase of \$5,902,801. As will be seen by the accompanying table, the number of mutual companies decreased from 262 to 234. An increase in total assets of \$196,618,461, and an increase in net surplus of \$93,316,651 are shown, the ratios of increase being, respectively, 56.57 per cent and 78.92 per cent. The ratio of losses paid to net premiums in 1895 was 55.2 per cent; in 1904, 58.7 per cent, and in 1905, 46.2 per cent, showing a decrease in 1905 of 9.0 per cent as compared with 1895, and a decrease of 12.5 per cent in comparison with the aggregate loss ratio of 1904.

In addition to the business transacted by stock and mutual companies in 1905, as shown in the accompanying table,

TEN YEARS OF FIRE AND MARINE INSURANCE.
(Compiled from The Insurance Year Book.)

YEAR.	Number of Stock Companies.	Number of Mutual Companies.†	Total Number of Companies.‡	Capital.†	Total Assets, Except Premium Notes of Mutual Companies.	Net Surplus.	Net Premiums.	Total Income.	Paid for Losses.	Paid for Dividends.*	Expenses Other than Losses and Dividends.	Total Disbursements.
				\$	\$	\$	\$	\$	\$	\$	\$	\$
1896.....	319	222	541	70,281,368	360,052,627	134,327,735	158,819,388	172,945,625	83,355,538	13,579,371	54,486,704	151,421,613
1897.....	324	206	530	72,201,341	387,695,997	154,580,283	161,759,735	176,777,321	79,453,074	15,173,654	56,158,297	150,785,025
1898.....	321	183	504	73,090,810	400,677,016	164,208,653	161,874,238	178,509,080	90,175,659	15,668,437	59,507,929	165,352,025
1899.....	315	160	475	72,498,389	400,578,034	157,267,877	165,364,412	184,142,217	106,726,658	15,935,073	61,654,771	184,316,502
1900.....	321	172	493	73,150,875	413,027,067	162,657,699	182,130,774	198,312,577	108,307,171	16,029,429	65,861,081	190,247,581
1901.....	303	179	482	69,930,423	450,566,078	162,083,426	199,800,505	216,452,381	112,007,219	16,333,011	70,756,489	199,096,719
1902.....	311	178	489	70,537,743	451,010,545	171,300,162	224,076,129	242,819,167	113,147,727	17,737,444	74,499,597	205,384,768
1903.....	324	202	526	72,989,977	479,143,861	184,786,766	238,696,493	258,658,915	112,818,928	19,700,334	80,602,977	213,122,239
1904.....	303	212	515	72,068,831	496,446,878	187,060,987	257,178,735	278,669,500	150,955,197	21,429,312	87,138,176	259,522,685
1905.....	326	234	560	76,128,021	544,182,285	211,541,991	270,387,167	292,995,316	124,924,532	22,876,905	93,309,884	241,111,321
Totals—10 years	\$316	\$194	\$510	\$72,287,771	\$438,338,038	\$168,981,857	2,020,087,576	2,201,282,099	1,081,871,703	174,462,870	703,975,905	1,960,310,478
1895.....	293	262	555	70,225,220	347,563,824	118,228,340	161,446,603	175,749,635	89,212,971	14,665,921	54,203,407	158,082,299
Increase (+) or Decrease (—) in 10 Years	+33	—28	+ 5	+5,902,801	+196,618,461	+93,316,651	+108,940,564	+117,245,681	+35,711,561	+8,210,984	+39,106,477	+83,029,022
Per Cent of Inc. (+) or Dec. (—).....	+11.26	—10.69	+0.90	+8.40	+56.57	+78.92	+67.47	+66.70	+40.06	+56.00	+72.14	+52.44

* Includes amount returned to policyholders, as dividends, by mutual companies.

† "Deposit capital" of foreign companies not included.

‡ Includes only mutual companies having \$15,000 or upward of cash assets.

\$ Average.

¶ Excluding Lloyds.

thirty-seven Lloyds and individual underwriters filed reports with the New York State Insurance Department showing their individual business during the year ending December 31, 1905. The following figures represent the aggregate items reported by these associations: Total assets, \$5,970,088; net surplus, \$3,545,680; net premiums, \$3,029,484; total income, \$3,337,939; losses paid, \$1,371,417; paid for dividends, \$354,768; expenses, \$782,091, and total disbursements, \$2,508,276. The aggregate loss and expense ratios were 45.2 per cent, and 25.8 per cent, respectively.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The September meeting of the Exchange was held yesterday, and several matters of routine interest were presented. The members are now awaiting with great interest the recommendation of the committee on economies and administration concerning salaries and other subjects connected with the future government of the Exchange. There are occasional questions asked about the enormous bank balance which has been heaped up to the credit of the Exchange, and some companies are curious to learn what is the object of it.

The laying of pipes for the auxiliary service in event of fire, generally known as the high-pressure salt water service, is going on quite rapidly. Twenty-third street is badly torn up for this purpose. Many of our city underwriters apparently do not understand that the auxiliary supply may be wholly served by fresh water, but the plan is to establish pumping stations on the river front, so as to flood the extra pipes in an emergency with salt water. The adequacy of the supply can hardly be doubted.

Now that the proper arrangements have been made with the Mutual Life for occupying apartments on the seventh floor of its building for several years to come, an air of serenity and contentment has settled over the quarters occupied by the Board and Exchange committees. The single exception is the agitation relative to the future of the patrol superintendent and clerks' quarters and the proposed surrender of the present large room to the Exchange.

Slowly the settlement of the cotton and jute losses in the American Dock stores are passing out of the hands of the loss committee. The

loss on No. 17 involved a total insurance of \$441,806, with a net salvage of \$7298. The loss on No. 18 involved total insurance of \$253,900, and salvage of \$142,958. Among the companies interested in these losses not entitled to transact business in this State, were the Indiana Millers, the American Manufacturers Mutual, the Central Manufacturers of Van Wert (Ohio), the Western Millers of Kansas City, the Northwestern Mutual of Seattle and some others not generally heard of in loss lists in this neighborhood.

The extent to which the inter-insurance system has invaded the field may be judged by the lines held on the drygoods stock of Boggs & Buhl of Alleghany, Pa. Out of a total of \$1,400,000, the inter-insurers whose headquarters are in this city carry \$600,000, and others carry, respectively, \$380,000 and \$100,000. This used to be a target risk for everybody, but it is now tucked away so firmly in Lloyd and inter-insurers combinations that there are scores of companies which haven't even a smell of it.

The Board companies are not all harmonious on the subject of the proposed merger of the work of the standing committees with that of the Exchange. It is claimed that the Board cannot under its present by-laws delegate power to a special committee to take away the rights and privileges of the regular Board committees. There is a fine chance for a muddle in this matter.

The insurance of automobiles against fire is not so easy a job as formerly. The companies are "skeery" about the risk in certain large garages, save those occupied for the sale and storage of electrics. The prejudice against gasoline is deep rooted in the minds of underwriters, and its dangers are fully understood. The United States Lloyds has a large business on its books, and the American and Foreign Marine and the Columbia have a considerable income from this business under floating policy forms. It is quite common for brokers in this city to receive orders for the South and West for lines on autos which cannot be readily placed at home.

A manufacturing firm in this city is at loggerheads with a dozen companies with reference to the efficacy of the cancellation of policies by notice without tender of return premiums. As the premiums were defaulted by an unscrupulous broker, the firm contend, they must have a return premium and do not recognize the validity of the notices. They claim that, under a decision of the Court of Appeals, no cancellation is effective without tender of return premium.

Tileston & Co. have removed from 50 Pine street to 95 William street.

H. B. Guernsey, secretary and manager of the Phoenix of London, will arrive in New York shortly, via Canada.

H. K. Miller, general agent of the National Board of Fire Under-

writers, who has been in ill health for some months past, is back at his desk.

Charles R. Watson, superintendent of agents for the Eagle Fire Company, has been appointed United States correspondent for a combination of London Lloyds. Large lines will be accepted on standard risks.

Joseph Krischker, Jr., has been appointed secretary and office manager of I. Tanenbaum, Son & Co., succeeding D. C. Force, resigned.

A. E. Griffin has been appointed Brooklyn agent of the Shawnee Fire of Topeka.

The local insurance firms of Albert Willcox & Co., C. E. & W. F. Peck and Walker & Hughes are stated to be in process of amalgamation.

Alexander Mackay, general manager of the Law Union and Crown, who arrived in New York on Saturday, has gone to San Francisco to complete the settlement of his company's losses there. He estimates that but one-tenth of these now remain unpaid. Mr. Mackay does not look for the retirement of any of the British offices from this country as a result of this conflagration, though he admits that some of them have been sorely hit. He does think, however, that the underwriting practices of some companies in the congested districts of the large cities will undergo a marked change. This class of business in future will be written largely direct and in smaller lines. Mr. Mackay is no stranger to our shores, having made five or six previous visits.

CHICAGO AND THE WEST.

The executive committee of the Chicago Board of Underwriters has recommended the adoption of the new analytic method of rating for Chicago, having had the matter before it for some time past. The passage of the measure will be considered at the quarterly meeting of the board in October. If it passes no material change in existing rates is expected, inasmuch as the existing differential between buildings and stocks in Chicago is higher than in any of the other big cities. The board, at the same time, will be able to determine what superior risks are to get a lower rate, by fixing the basic table. The general use of the "Dean schedule," as the system is called, has been favored by the companies for a long time, and its adoption in Louisville and Milwaukee is expected to follow its adoption in Chicago. In addition to being the best available solution of the rating problem, it permits of adaptation to changing conditions by means of the percentage system instead of necessitating a general rerating.

An attempt was made by a committee of St. Paul insurance men, who visited Chicago the other day, to secure the co-operation of the companies in the proposed reorganization of the St. Paul board. It is known that the rate situation at St. Paul has been badly disorganized for some time past, the local company, the St. Paul, and several leading agents having given notice of withdrawal from the board September 1. The plan at present is to attempt a reorganization which shall include both the board and the non-board factions, the St. Paul local agency being opposed to coming in because of the admission of a number of signers of the old agreement that they have been rebating for years on several leading lines. The dissatisfied element insists on a fine of \$200 at least for every violation, the money to be deposited in advance. A suggestion has been made that a payment of fines under the old rules by members who admit they have given rebates would clear the situation, assuming that further violations would be prevented by the imposition of a fine of \$200 in case of discovery.

The Aetna has attained the record for Chicago for fire insurance premiums for the year ending June 30, its figure being \$314,333. The Liverpool and London and Globe is second, with \$312,472, and the Royal third with \$309,135.

BOSTON AND VICINITY.

The New England Insurance Exchange has decided to send representatives to New Haven, to confer with a special committee of the Connecticut Business Men's Association, with reference to the increase in rates recently ordered in the various Connecticut cities. The committee was appointed to inquire into the action of the Exchange and

see if pressure could not be applied to induce the Exchange to revoke the increased rates.

The many friends of George P. Field, of Field & Cowles, president of the Boston Board of Fire Underwriters, are delighted to see him at his desk again, after an absence of several months, on account of a very severe illness, which threatened to deprive the insurance world of one of its most prominent and popular members. Mr. Field has entirely recovered his health.

Chelsea, one of Boston's big neighbors, has been undergoing an incendiary epidemic. So frequent are such fires that the authorities of that city and the underwriters of Boston and Chelsea have united in adopting strenuous means to apprehend the "fire-bugs."

NOTES FROM PHILADELPHIA.

In Camden, N. J., the telephone, city police and fire system wires will be placed underground. Underwriters are pleased with the contemplated reduction of the number of overhead wires, and advocate the placing of the wires of the lighting system underground also.

Secretary W. Gardner Crowell has been elected a director of the Pennsylvania Fire to fill the vacancy caused by the recent death of Harry F. West.

Policyholders of the Mutual Fire of Germantown met recently, and by re-electing the old board of managers showed that they were opposed to the proposed division of a surplus of \$800,000.

The National American Insurance Company, which is in process of organization in this city, has opened temporary offices at 411-413 Walnut street.

Director of Public Works Potter is pursuing his plans to make a thorough test of the city's fire bureau. The result of the inquiry will form the basis of his reply to the recent report of the committee of the National Board of Fire Underwriters, criticising the fire-fighting facilities of Philadelphia.

The stockholders of the Insurance Company of the State of Pennsylvania have voted to reduce the capital stock from \$400,000 to \$200,000 by a change of the par value per share from \$100 to \$50.

Daniel J. Walsh's Sons have been appointed direct reporting agents of the new Fidelity Fire of New York, and sole agents of the Union of Buffalo, succeeding A. M. Waldron.

Harrold E. Gillingham has been appointed agent for Philadelphia and vicinity of the Birmingham Fire.

The Philadelphia Fire Insurance Patrol's statement of premiums collected in this city during the six months ending June 30, 1906, shows the following results in the various groups of companies as compared with the same period of 1905.

	1906.	1905.	Increase.
Philadelphia stock companies.....	\$648,304	\$670,418	*\$22,114
Philadelphia mutual companies.....	101,923	94,312	7,611
Pennsylvania State companies.....	90,396	85,615	4,781
New England companies.....	429,862	396,429	33,433
New York companies	688,966	610,453	78,513
New Jersey companies.....	88,570	73,754	14,816
Southern companies	69,105	44,957	24,148
Western companies	204,436	199,854	4,582
Foreign companies	633,026	598,902	34,124

Total increase for six months ending June 30, 1906..... \$179,894

* Decrease.

THE MIDDLE STATES.

The Vedder Underwriter Company.

Early in the present year the Delaware Insurance Company of Dover, capital \$200,000, surplus \$63,000, appointed the Vedder Underwriter Company—composed of Harrison N. Vedder, president; Samuel Ames, treasurer, and Harold L. Vedder, secretary—of 61 William street, New York, general agents for the United States. The appointment has proved a very satisfactory one to both parties.

The Delaware does a general business and is now entered in fourteen States, West Virginia being the latest, where Alfred Paull & Co. of

Wheeling act as State agents. Four or five additional States will be taken on in the near future.

It has been the aim of the Vedder Underwriter Company throughout to make only first-class connections and this policy will be adhered to. At the moment they are open for a few desirable agency connections.

—M. O. Dennis of Batavia, N. Y., special agent in the general agency of Charles R. Knowles of Albany, is dead.

—The German Fire of Pittsburg has been admitted to Connecticut, Delaware, Rhode Island, Kentucky, Utah and South Dakota.

—J. Ramsay Barry & Co. of New York have been appointed general agents of the Dixie Fire of Greensboro, N. C., for the East.

—William McEchron, a wealthy manufacturer of Glens Falls, died at his home there last week. Mr. McEchron was president of the First National Bank of Glens Falls and a director of the Glens Falls Insurance Company.

THE WEST.

Programme of Western Union Meeting.

President Cofran announces the following order of business for the annual meeting of the Union to be held at the Hotel Frontenac, Frontenac, N. Y., September 19: First, roll call. Second, report of committee on membership. Third, president's address. Fourth, report of standing and special committees as follows: Governing committee; large cities committee; arbitration committee; grievance committee; bulletin committee; committee on fire protection engineering; conference committee; tornado business committee; taxation committee; various committees on litigation, legislation, statistics, etc. Special Topic—Automobile insurance: "Shall our rules be revised and expanded, including the status of automobile writing companies in our agencies?" Committee on the nomination of officers; time and place of next meeting.

—The Western of Pittsburg has entered Iowa.

—The unionization of the J. H. Bastert & Co. agency at Quincy, Ill., has just been completed.

—W. S. Timberlake, treasurer of the St. Paul Fire and Marine, died this week from rheumatism of the heart.

—The Springfield Fire and Marine has appointed J. R. Daughtry its special agent for Colorado, Wyoming and New Mexico, assisting C. G. Wade.

—S. W. Jacobs, who has been in retirement for a year or so, has returned to Chicago. He was previously identified with various unlicensed fire insurance companies.

—It is reported that a new company to have \$1,000,000 capital is in process of organization at Oklahoma City, Okla., to be known as the Western Fire and Marine, and that three-fourths of the amount has already been subscribed and paid up. The officers are: F. C. French, president; F. A. Rhodes, vice-president, and H. B. Houghton, secretary.

—The Hamilton Fire Insurance Company of New York has entered Ohio, and has appointed G. W. Pohlman of Cincinnati general agent for the State. Mr. Pohlman, who is president of the National Insurance Company of Cincinnati and a well-known underwriter, will establish agencies for the Hamilton Fire throughout the State, all of which will report to him.

THE SOUTH.

—The Farmers and Merchants of Lincoln, Neb., has entered Texas.

—The Prudential Fire of Tazewell, Va., has been admitted to Texas.

—The Dixie Fire has appointed F. N. Strudwick its special agent for Virginia and North Carolina.

—Carlton Smith, of the Atlanta (Ga.) local agency firm of McCandless & Haynes, has been appointed to succeed Otis A. Murphy as Georgia special agent of the Virginia State.

—W. C. Achenbach, for the past ten years or more with Trezevant & Cochran of Dallas, Tex., has been appointed special agent and adjuster for south Texas of the Continental of New York.

MISCELLANEOUS FIRE NEWS.

Plan to Reorganize the Firemans Fund Insurance Company.

The Policyholders League of San Francisco has prepared the following form of agreement, which contains the details of the proposed plan for the financial reorganization of the Firemans Fund Insurance Company:

The undersigned creditors of the Firemans Fund Insurance Company and of the Home Fire and Marine Insurance Company, holding policies of said corporations or of the Pacific Underwriters, upon which we have made proofs of fire loss in the amounts set opposite our respective names, do hereby agree with the Fire-

mans Fund Insurance Company that we will accept payment in full of our said claims in the following manner, to wit: One-half thereof in cash in United States gold coin, the remaining one-half of the claim to be paid in fully paid shares of stock in the Firemans Fund Insurance Company, par value \$100, taken at a valuation of \$500 a share, to be issued to each subscriber or his order. This agreement shall be effectual and binding upon each of us when the creditors holding at least one-half of the existing fire loss claims against the above-named corporations shall have signed this agreement prior to September 15, 1906, and subject to the following conditions:

1. That the Firemans Fund Insurance Company shall assess its shareholders \$300 per share to raise in cash sufficient money to enable it to continue in business under the laws of California with an unimpaired capital of at least \$1,000,000.

2. That it shall acquire by transfer all the property, good will and outstanding business of the Firemans Fund Insurance Corporation.

3. That both of said conditions shall have been fulfilled and said payments of money and shares completed prior to January 1, 1907.

4. That this agreement is based upon the estimate of the Firemans Fund Insurance Company that the gross losses of said companies in the San Francisco conflagration aggregating \$11,200,000, with estimated collectible reinsurance of \$2,500,000, and that any reduction of the amount of said gross claims when paid or any increase in collected reinsurance over said estimate shall be divided among the signers of this agreement in proportion to the amount of their respective claims on or before December 31, 1908; provided such division shall not impair the capital stock of the Firemans Fund Insurance Company. * * *

The new corporation, the Firemans Fund Insurance Corporation, will drop back into the Firemans Fund Insurance Company.

VARIOUS ITEMS.

—At Atchison, Kan., it is understood that each agent must pay a license fee of \$20 every six months for each company represented by him.

—The Cosmopolitan Fire of New York has been admitted to Rhode Island, and will be represented there by Arthur O'Leary of Providence.

—The Policyholders League of San Francisco has decided that all persons who desire to have the League handle their claims must register their policies before September 15.

—The Saskatchewan Fire has been organized at Regina with the following-named officers: J. F. Bole, president; George T. Marsh, vice-president; R. W. Sutherland, secretary.

—The gross payments on account of the San Francisco conflagration losses made by the Atlas of London up to September 4 amounted to over \$3,250,000, without deduction for reinsurance.

—John W. Gunn, special agent of the Liverpool and London and Globe, has been appointed deputy assistant manager of the Pacific Coast department of the company, with headquarters at Oakland. Robert P. Fabj succeeds Mr. Gunn at Seattle.

—The Phoenix of Hartford has issued new policies for the Pacific Coast territory, eliminating the earthquake clause and adopting the New York standard form. The company is paying its San Francisco losses as if it had no clause of this character in its policies.

—The Royal of Liverpool has purchased a lot on the west side of Sansome street, San Francisco, adjoining its property at the northwest corner of Vine and Sansome streets, which will give the company a lot 60 x 87.6, upon which it is its intention to erect a modern office building to be occupied by the Royal and the Queen of America.

—It is stated that the directors of the New Zealand Fire of Auckland have decided to recommend an increase in the paid-up capital of the company from £250,000 to £300,000 by the issue of 25,000 shares at £2. Under this arrangement the New Zealand will have a paid-up capital and reserves amounting to about £600,000 after paying all its losses at San Francisco.

—Philip E. Morse of 18 Birch Lane, London, E. C., England, has been appointed London representative of the following-named insurance companies: Pohjola of Helsingfors, Finland; Standard of Amsterdam, Holland; Amstelland of Amsterdam, Holland; Christiania of Christiania, Norway; Vesta of Bergen, Norway; International Reinsurance Company of Vienna, Austria. Mr. Morse negotiates reinsurance treaties in both home and foreign sections.

—The committee on fire prevention of the National Board of Fire Underwriters has issued its report on Springfield, Mass. The report states that the conflagration hazard is severe, and owing to the unsatisfactory condition of the fire alarm system, together with the undermanned and only moderately efficient fire department, a fire could easily get beyond control. While the water supply is fairly good as to pressure, gate valves are badly placed and the hydrants inadequate and antiquated.

—The balance sheet of the New Fenix Assurance Company of Madrid, Spain, dated December 31, 1905, shows assets amounting to 1,461,506 pesetas, inclusive of 900,000 pesetas in stockholders' notes. Its fire reserves were: Outstanding losses, 11,133 pesetas; unexpired risks, 44,631 pesetas, and its marine reserves were: Outstanding losses, 5867 pesetas; unexpired risks, 19,020 pesetas. Its reserves for reinsurers held in trust were 330,855 pesetas; "guarantees," 50,000 pesetas, and subscribed capital, 1,000,000 pesetas. In April last the stockholders voted to increase the capital to 5,000,000 pesetas, ten per cent to be paid up. J. Salinas is chairman of the board of directors.

Acknowledgments.

—Part II. of the New Jersey insurance report, covering life, casualty and miscellaneous companies.

—The report of the Michigan Insurance Department covering life, casualty, assessment and fraternal insurance for 1905.

—The Underwriters Hand-Book of Ohio for 1906 has been issued by the Western Underwriter Company. It contains lists of agencies and companies operating in Ohio, together with other information of interest to insurance men.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

Charles W. Townsley, secretary of the Life Association of America, is promoting a new enterprise, to be known as the United States Immigration Company. J. B. Docharty, Jr., treasurer of the Bankers Life of New York, is also a director of the new company, which is capitalized at \$125,000, and of which C. W. Townsley is president. The object of the new concern is to "promote and encourage immigration of industrious aliens," and is patterned after several concerns in Europe which insure emigrants against the possibility of being deported from our shores, in which event they would be out their passage money. It is pointed out that over one million immigrants enter this country every year; that less than two per cent are deported, and that by charging a fee of \$2 on each prepaid steerage ticket a handsome profit might be made.

The Keystone Bonding Company has taken offices at 3 Park Row, New York, with George Frank Sweeney as general agent for New York State.

Frederic Cromwell and Adrian Iselin have resigned as members of the finance committee of the Mutual Life, and have been succeeded by Thomas M. Mulry, president of the Emigrant Industrial Savings Bank, and Dumont Clarke, president of the American Exchange National Bank.

BOSTON AND VICINITY.

The recess committee of the Massachusetts legislature met Tuesday, this week, the 11th inst., and gave a hearing to the fraternal bodies. The purpose of the committee is to recommend legislation to the next General Court. There was not a great turn-out of the fraternalists at the hearing, only a few of the larger ones being represented. It is pretty well understood that the fraternal bodies are not anxious for the passage of any further legislation applying to their business. At the same time there are those who believe that the measure, or plans, adopted by the Baltimore convention of Insurance Commissioners in 1902 should form the basis of future legislation, with such changes and modifications, of course, as will make it practicable for Massachusetts. It is also felt that the fraternalists should be placed on a basis of adequate rates, the same to be maintained. Probably the recommendations of the committee will be along these lines, and next winter the matter will be threshed over and fought out in the legislature.

Gustavus C. Holt of the John C. Paige & Co. agency is at the Hotel Frontenac, Thousand Islands, as one of the accident insurance prize winners of the Travelers.

NOTES FROM PHILADELPHIA.

F. W. Cavanagh, formerly prominent in life insurance circles here, being identified with the Security Life and Annuity Company, has returned to Philadelphia as superintendent of the agencies of that company in the States of Pennsylvania, New Jersey, Virginia and West Virginia. Mr. Cavanagh comes from Denver, Col., where he was the manager of the company for that State.

Without having had recourse to law, State Treasurer William H. Berry was last week handed a check by the United States Fidelity and Guaranty Company of Baltimore, covering the \$175,000 the State had on deposit with the Real Estate Trust Company of this city when it failed, and two per cent interest thereon amounting to \$1,305.48. The surety company was on the bond of the trust company covering a deposit of \$200,000, but the State Treasurer recently withdrew \$25,000. A record of judgment has been filed by the United States Fidelity and Guaranty Company against the Real Estate Trust Company for \$400,000 given them as indemnity in the premises.

An advertisement appearing in the Philadelphia newspapers says:

Recent disastrous bank failures having demonstrated the necessity of a safe and sane method by which individual depositors can be indemnified in the future against losses by the failure or suspension of any financial institution in which their money is held, has brought

into the insurance field for the purpose of protecting bank accounts the Bank Depositors Insurance Company of America (Inc.). A syndicate is now forming to underwrite a limited amount of stock allotted to Pennsylvania. You may participate if you desire. This offer has positive merit, and we invite confidential correspondence and unrestricted investigation on the part of those who desire a modest investment that is sure to return a satisfactory profit.

The address of the Pennsylvania Underwriters Committee is given as Department A, Colorado building, Washington, D. C.

CONTRIBUTED PAPERS.

WASTE OF LIFE IN THE UNITED STATES AS ILLUSTRATED BY THE MORTALITY FROM TYPHOID FEVER.

FREDERICK S. CRUM.

On February 1, 1899, Dr. Osler delivered an address before the Medical Society of the State of New York on the subject "The Problem of Typhoid Fever in the United States."* Some of Dr. Osler's remarks were so pertinent that I cannot do better than quote a few of them as an introduction to this article.

"This is a nation of contradictions and paradoxes. A clean people, by whom personal hygiene is carefully cultivated, displays in matters of public sanitation a carelessness which is simply criminal. A sensible people, among whom education is more widely diffused than in any other country in the world, supinely acquiesces in conditions shameful beyond expression. * * * Throughout the length and breadth of the land typhoid fever prevails so extensively in township and county, in village and city, that any large body of men aggregated together is almost certain to become infected." And this in spite of the fact that "One demonstration stands out in clear relief above all others—with a clean soil and pure water, typhoid fever disappears."

The establishment of the permanent Census Bureau has made it possible to secure and make public a wide range of facts bearing upon mortality in the United States. A special report upon mortality has recently been issued by the census office which contains a wealth of data relating to mortality by causes, ages and sex for the registration area during the five years 1900-1904. This volume contains the most complete returns of typhoid mortality in the United States ever made readily available. The facts are given for the registration area as a whole, and for its various subdivisions. Obviously it is impossible in a limited space to do full justice to so large a subject when there is such an abundance of matter, but I want to direct attention to a few of the more salient features.

During the five-year period, 1900-1904, 53,857 deaths from typhoid fever were reported from the registration area, which includes the New England States, New York, New Jersey, Indiana, Michigan, the District of Columbia, and a considerable number (134) of registration cities in otherwise non-registration States. The total population of this registration area is estimated at 32,996,989 on June 1, 1904, or about 40.0 per cent of the total population of the continental United States. Of the 53,857 deaths from typhoid, 31,663, or 58.8 per cent, were males, and 22,194 or 41.2 per cent were females. The age distribution of the deaths is presented in the following table:

AGE DISTRIBUTION OF DEATHS FROM TYPHOID FEVER—REGISTRATION AREA, U. S., 1900-1904.

AGES.	No. of Deaths.	Per Cent.
Under 1 year.....	383	0.7
1-4.....	2,250	4.2
5-14.....	6,771	12.6
15-29.....	23,353	43.5
30-49.....	15,252	28.4
50-64.....	3,931	7.3
65 and over.....	1,729	3.3
Total (age specified).....	53,669	100.0
Age unknown.....	188	.....
Grand Total.....	53,857	.....

This table illustrates the fact that typhoid fever falls most heavily upon the productive ages. It is most fatal at ages 15-49, and 79.2 per cent of the mortality is at ages 15-64, the productive period of the average workingman's life.

The following comparative statement of the annual mortality from

* Albany Medical Annals, March, 1899.

typhoid fever in the United States and certain other countries is of exceptional interest. The year 1902 has been selected, as that is the middle of the period under observation and the returns for some of the foreign countries are not yet available for later years.

DEATHS FROM TYPHOID FEVER PER 100,000 OF POPULATION—1902.

United States.		Foreign Countries.	
Indiana.....	49.0	Italy.....	35.0
Registration cities.....	37.5	Hungary.....	27.0
Total registration area.....	34.5	Belgium.....	18.0
Michigan.....	24.5	Ireland.....	14.0
Maine.....	24.5	England and Wales.....	12.6
New York.....	23.4	Scotland.....	12.0
New Jersey.....	21.8	Sweden.....	10.0
Connecticut.....	21.8	Germany.....	7.0
Rhode Island.....	20.4	Switzerland.....	6.0
Vermont.....	19.1	Norway.....	5.0
Massachusetts.....	18.3		
New Hampshire.....	18.1		

The above table indicates perhaps as clearly as possible the fact that this country still has much to learn, or at least much to put in practice of what is already well known, regarding the prevention of typhoid fever. Certainly it is not too much to insist upon ten or twelve deaths per annum per 100,000 of population as a maximum average when this standard is almost realized in England and Wales, and is more than realized in Germany, Switzerland and Norway.

It is when more well defined localities are considered, however, that the United States makes the most deplorable showing, and this is true whether we consider large or small communities. First, let us consider the large cities, with 100,000 or more population in 1900. The average annual mortality rates of these cities, during the five years, 1900-1904, were as follows:

MORTALITY FROM TYPHOID FEVER IN 38 CITIES WITH POPULATIONS IN EXCESS OF 100,000—1900-1904.

CITIES.	Total Population Exposed to Risk One Year.	Deaths.	Rates Per 100,000 of Population.
Pittsburg, Pa.....	1,686,170	2,309	136.9
Allegheny, Pa.....	677,368	702	103.6
Columbus, O.....	660,890	434	65.7
Washington, D. C.....	1,441,920	907	62.9
Cleveland, O.....	2,017,782	1,185	58.7
Louisville, Ky.....	1,060,485	619	58.4
Cincinnati, O.....	1,657,616	927	55.9
Philadelphia, Pa.....	6,715,215	3,331	49.6
Kansas City, Mo.....	849,800	414	48.7
Indianapolis, Ind.....	933,288	452	48.4
Denver, Colo.....	702,271	350	47.0
Memphis, Tenn.....	549,430	248	45.1
New Orleans, La.....	1,480,590	663	44.8
Minneapolis, Minn.....	1,051,570	470	44.7
Los Angeles, Cal.....	559,065	248	44.4
New Haven, Conn.....	562,135	249	44.3
St. Louis, Mo.....	2,999,660	1,181	39.4
Baltimore, Md.....	2,619,305	954	36.4
Toledo, O.....	706,041	246	34.8
Chicago, Ill.....	9,077,225	2,694	29.7
San Francisco, Cal.....	1,757,700	497	28.3
Buffalo, N. Y.....	1,858,655	519	27.9
Scranton, Pa.....	535,900	124	23.1
Boston, Mass.....	2,916,880	655	22.5
Paterson, N. J.....	552,675	122	22.1
Detroit, Mich.....	1,508,237	329	21.8
Providence, R. I.....	915,135	193	21.1
Newark, N. J.....	1,292,830	261	20.2
Fall River, Mass.....	554,785	112	20.2
Omaha, Neb.....	548,795	107	19.5
New York (Greater), N. Y.....	18,115,800	3,476	19.2
Jersey City, N. J.....	1,075,595	201	18.7
Syracuse, N. Y.....	562,100	103	18.3
Milwaukee, Wis.....	1,521,584	258	17.0
Worcester, Mass.....	625,875	100	16.0
Rochester, N. Y.....	840,340	126	15.0
St. Paul, Minn.....	845,235	127	15.0
St. Joseph, Mo.....	539,895	76	14.1
Total, 38 Cities.....	74,575,842	25,949	34.8

The facts presented in the above table are of great importance. It is plain that in at least one-half of the largest cities of the country there is criminal negligence in respect of water supplies, and in the other half, if we are to judge from the practical experience of cities like Munich and Berlin, which are governed on business principles, very much yet remains to be done to reduce their typhoid mortality to even a reasonable maximum. In Berlin the municipal authorities have succeeded in reducing the annual death rate from typhoid to from three to five per 100,000, and in Munich, once a veritable pest-hole of typhoid epidemics, the mortality from that cause has been reduced to

an almost negligible quantity.† The methods by which these results have been obtained are not secret, but as Dr. Osler truly says, "The problem will be solved when, first, every city in the Union has a supply of pure water (including ice), and is properly drained; secondly, when suburban and rural hygiene is systematically organized." At present infected water and ice, and as a result, infected milk, infected oysters and dirty health resorts are responsible for innumerable epidemics of typhoid.

Attention has been called to another widespread source of typhoid infection in this country by Dr. P. B. Barringer of Charlottesville, Va. In a paper entitled "An Unappreciated Source of Typhoid Infection"‡ he has pointed out that the whole country is continuously threatened with typhoid infection because of the fact that "all American railway lines use closets which discharge all fecal matter passed on the train by passengers directly upon the roadbed." No town or community on or near a railway line is free from the menace of a typhoid fever epidemic so long as this most unhygienic and unsanitary method is permitted.

As a partial confirmation of Dr. Barringer's theory we know that railway employees, particularly engineers, firemen and trackmen, are subject to a high mortality from typhoid fever. In the experience of the Grand Lodge of Locomotive Firemen, for example, over eight per cent of the total mortality is due to typhoid fever, while in the general adult male population only from two to three per cent of the total mortality is caused by that disease.

Some years ago I called attention to the fact that although many of the larger cities of the United States had effected a considerable reduction in their typhoid mortality during the decade 1889-1898, the rates were still, almost without exception, excessively high.§ Without going into details it may be stated that in certain localities strenuous and well-directed efforts have been productive of excellent results, but these localities are exceptional, and the typhoid mortality in the great majority of the States and cities remains persistently high. Enough has been done in such States as Massachusetts and Michigan, and in such cities as Lawrence, Mass., and Newark and Jersey City, N. J., to conclusively demonstrate the practical possibility of vast improvements, and the continued disregard of the simplest sanitary laws in such cities as Pittsburg, Allegheny and Philadelphia, Pa., Cleveland and Columbus, Ohio, and Washington, D. C., cannot be excused on any ground, and must be unsparingly condemned as monumental evidences of long-continued, criminal indifference to an extravagant and needless waste of human life.

The following table gives a summary statement of the mortality from typhoid fever in the thirty-eight largest cities of the United States during each of the years 1900-1904. It shows that conditions in the aggregate have not sensibly improved during these five years.

MORTALITY FROM TYPHOID FEVER IN 38 CITIES WITH 100,000 OR MORE POPULATION—(RATES PER 100,000 POPULATION).

YEARS.	Population.	Deaths.	Rates.
1900.....	14,208,347	4,726	33.3
1901.....	14,558,858	4,735	32.5
1902.....	14,909,517	5,438	36.5
1903.....	15,272,659	5,788	37.9
1904.....	15,626,461	5,262	33.7
1900-1904.....	74,575,842	25,949	34.8

In some of the smaller registration cities the conditions are worse, if possible, than in the largest. During the period 1900-1904 there have been typhoid epidemics in no less than fifty of the minor registration cities of such magnitude as to result in a mortality of 100 or more per 100,000 of population, and in sixteen of these cities the high rate is shown to have persisted for two years or more.

The following table is only a partial list containing a statement of the worst of the typhoid epidemics of recent years in the smaller registration cities.

† The History of Typhoid Fever in Munich, Christopher Childs, The Lancet, February 5, 1898.

§ Typhoid Mortality in Twenty-Four American Cities, 1889-1898. Medical Record, August 12, 1899.

‡ Medical Record, December 19, 1903.

DEATHS FROM TYPHOID FEVER PER 100,000 OF POPULATION IN MINOR REGISTRATION CITIES IN WHICH THE ANNUAL RATE DURING 1900-1904 EXCEEDED 150.0 DURING ONE OR MORE YEARS OF THE PERIOD.

CITIES.	1900.	1901.	1902.	1903.	1904.
Escanaba, Mich.....	125.7	50.3	67.8	28.0	351.4
Ithaca, N. Y.....	45.7	45.0	7.4	341.7	28.6
Pueblo, Col.....	78.1	104.7	311.7	184.7	111.5
Leadville, Col.....	104.4	55.3	38.9	22.9	286.1
Steelton, Pa.....	33.1	32.3	276.6	184.1	52.5
Fresno, Cal.....	240.6	182.0	117.2	123.4	60.9
Augusta, Me.....	42.8	84.8	50.4	232.7	49.4
Watertown, N. Y.....	106.0	49.1	65.0	71.5	212.4
South Bethlehem, Pa.....	45.3	29.6	57.8	205.3	48.5
New Castle, Pa.....	137.6	57.1	192.5	122.7	64.7
Allentown, Pa.....	28.2	46.7	189.5	33.8	32.9
Bangor, Me.....	22.9	104.0	35.7	44.1	187.4
Youngstown, O.....	82.4	136.8	135.5	180.0	89.8
Sault Ste. Marie, Mich.....	132.9	92.9	172.9	115.9	52.4
Hudson, N. Y.....	63.0	61.7	70.5	39.5	164.6
Niagara Falls.....	107.9	147.3	136.4	135.0	151.7

In the above table the cities are arranged in the order of excessive rates. For example, the highest rate recorded among minor registration cities, that is, registration cities with less than 100,000 population, during 1900-1904 was 351.4, which occurred in Escanaba, Mich., in 1904. The second highest rate was 341.7 for Ithaca, N. Y., during the year 1903. The third highest rate was 311.7 for Pueblo, Col., during the year 1902. It will be noted that in most of the cities the annual death rate from typhoid fever is quite exceptionally high, even in years when typhoid fever is not considered to be epidemic.

Enough facts have been presented to make it plain that an immense waste of human life and vitality occurs annually in the United States, the result of excessive and needless typhoid mortality and morbidity. It is possible to approximate this aggregate waste on the basis of known facts. The estimated population of the continental United States exposed one year to risk of death from typhoid during 1900-1904 was 393,916,550. On the basis of the average typhoid death rate (33.8 per 100,000 of population) for the registration area, the mortality from typhoid fever in the continental United States during the period 1900-1904 was 133,144. Assuming that 10.0 per 100,000 of population is a fair and normal typhoid mortality rate, the deaths from that cause would have been 39,392, and the needless mortality 93,752. Probably not more than fifteen per cent of the typhoid fever cases terminate fatally, so we have it that at least 531,260 non-fatal cases represent the excess of morbidity over what may reasonably be considered a liberal allowance for a maximum necessary amount of sickness from typhoid. The average duration of illness for non-fatal cases of typhoid is about thirty-two days,|| and the aggregate excessive morbidity in terms of days' sickness is, therefore, 17,000,320 for the five years, 1900-1904, or 3,400,064 days of unnecessary illness each year. In these calculations we have made a liberal allowance of ten deaths per annum per 100,000 of population. Many claim that this figure could easily be cut in half, and indeed this result has been more than achieved in some places, notably in Berlin, where the death rate from typhoid fever was only 4.1 per 100,000 of population in 1903, and 4.0 in 1904. This example will suffice as a standard by which to measure the enormity of sanitary neglect in this country and it gives point to the statement that as regards prevention of typhoid fever we are at least a generation behind Europe.

RESTRICTED GROSS PREMIUM METHOD OF VALUATION.

CHARLES J. HARVEY, F. I. A., Consulting Actuary.

The above method of valuation is familiarly known as the "Modified Preliminary Term" method. It has been in use for some time, and is so conservative in its operation and so adaptable to the exigencies attending the cost of new business that it ought to become the minimum reserve standard of the immediate future. It has never, to the writer's knowledge, been fully explained, nor has the relief it gives to the first year's cost and the lien it thereby entails on the loading in restoring the reserve to its normal level ever been comprehensively exemplified. These particulars the writer now proposes to supply with as little technicality as possible. The method, then, consists in anticipating or capitalizing a part of the loading. This cap-

italized loading is borrowed from the first year's reserve and is replaced by a fixed annual charge extending over the whole of the premium paying period of the policy. The loading anticipated in this way is restricted in all cases to the capitalized difference of the annual whole life net premium at the age at entry and at the succeeding age. An exemplification is given as follows:

AMERICAN EXPERIENCE, THREE PER CENT—WHOLE LIFE.

AGE AT ENTRY.	Net Annual Premium at Age of Entry.	Net Annual Premium at Succeeding Age	Difference.	Capitalized Difference.
21.....	14.7175	15.0427	.3252	7.417
25.....	16.1137	16.5062	.3925	8.676
30.....	18.2829	18.7857	.5028	10.605
35.....	21.0812	21.7364	.6552	13.050
40.....	24.7537	25.6218	.8681	16.112
45.....	29.6653	30.8413	1.1760	20.003
50.....	36.3576	37.9677	1.6101	24.588
55.....	45.5410	47.7609	2.2199	29.731
60.....	58.2660	61.3639	3.0979	35.448
65.....	75.1129	80.4827	4.3698	41.523

Taking age 21 as an example, it will be seen that the difference between the premium at the age at entry and at the succeeding age is .3252. This difference is capitalized by multiplying it by the tabular value of a life annuity at the age of entry, which gives \$7.417, and this is the sum taken out of the first year's reserve under all kinds of policies to meet the extra expenses of the first year's business. In replacing this sum, the annual charge on the loading will vary with the number of premiums payable. For whole life policies, it will be .325, as just stated. For ten-payment life, ten-year endowment, or any other form of policy upon which only ten premiums are to be paid, it will be .873, obtained by dividing \$7.417 by the tabular value of a ten-year-term annuity at age 21; for fifteen-premium policies it will be .635, obtained by dividing \$7.417 by the tabular value of a fifteen-year term annuity at age 21; and so on. These annual charges are shown as follows:

AMERICAN EXPERIENCE, THREE PER CENT.

AGE AT ENTRY.	Annual Charge on Loading to Repay Sum Taken From Reserve.				
	Life.	5 Premiums.	10 Premiums.	15 Premiums.	20 Premiums.
21.....	.325	1.597	.873	.635	.519
25.....	.392	1.869	1.023	.744	.608
30.....	.503	2.286	1.252	.913	.748
35.....	.655	2.816	1.545	1.129	.928
40.....	.868	3.483	1.917	1.407	1.162
45.....	1.176	4.337	2.400	1.774	1.481
50.....	1.610	5.362	2.996	2.243	1.902
55.....	2.220	6.551	3.721	2.844	2.469
60.....	3.098	7.948	4.637	3.656	3.276
65.....	4.370	9.582	5.829	4.797	4.460

The rationale of the method, therefore, is to restrict the anticipation of the loading in all cases to the limit conceded to whole life policies and to ensure the discharge of the indebtedness to the reserve fund that is thus occasioned by an annual charge on the loading over the entire premium paying period of the policy.

This, in brief, is the mathematical or purely theoretical side of the subject, but its feasibility in practice, or the extent to which this annual charge will press upon the premiums, has yet to be shown. In determining this point it is advisable, on the ground of safety, to employ a low scale of office premiums, in order that the pressure upon the premium income may not be underestimated, and the following scale has been requisitioned from the rate book of a prominent company as being well adapted to the purpose:

OFFICE PREMIUMS—AMERICAN EXPERIENCE, THREE PER CENT.

AGE.	Life.	5-Payment Life.	10-Payment Life.	15-Payment Life.	20-Payment Life.
21.....	18.40	83.14	46.30	34.19	28.25
25.....	20.14	88.31	49.24	36.40	30.12
30.....	22.85	95.79	53.52	39.64	32.87
35.....	26.35	104.56	58.58	43.51	36.22
40.....	30.94	114.82	64.59	48.22	40.38
45.....	37.08	126.78	71.81	54.06	45.73
50.....	45.45	140.76	80.66	61.54	52.87
55.....	56.93	156.89	91.58	71.33	62.68
60.....	72.83	175.47	105.40	84.65	76.60
65.....	95.14	197.27	123.73	103.51	96.90

|| Typhoid Fever in Michigan in 1890, report of Secretary of State Board of Health, 1891.

OFFICE PREMIUMS—AMERICAN EXPERIENCE, THREE PER CENT.

AGE.	10-Year Endowment.	15 Year Endowment.	20-Year Endowment.
21.....	101.53	65.43	47.75
25.....	101.85	65.79	48.15
30.....	102.37	66.37	48.83
35.....	103.10	67.23	49.85
40.....	104.18	68.55	51.48
45.....	105.92	70.73	54.22
50.....	108.87	74.43	58.81
55.....	113.74	80.55	66.36
60.....	121.68	90.56	78.48
65.....	134.67	106.72	.....

The pressure of the annual charge on these premiums is shown as follows:

PERCENTAGE OF OFFICE PREMIUM ABSORBED BY ANNUAL CHARGE—AMERICAN EXPERIENCE, THREE PER CENT.

AGE.	Life.	5-Pay't Life.	10-Pay't Life.	15-Pay't Life.	20-Pay't Life.	10-Year End.	15-Year End.	20-Year End.
21....	1.77	1.92	1.89	1.86	1.84	.86	.97	1.09
25....	1.95	2.12	2.08	2.04	2.02	1.00	1.13	1.26
30....	2.20	2.39	2.34	2.30	2.28	1.22	1.38	1.53
35....	2.49	2.69	2.64	2.59	2.56	1.50	1.68	1.86
40....	2.81	3.03	2.97	2.92	2.88	1.84	2.05	2.26
45....	3.17	3.42	3.34	3.28	3.24	2.27	2.51	2.73
50....	3.54	3.81	3.71	3.64	3.60	2.75	3.01	3.23
55....	3.90	4.18	4.06	3.99	3.94	3.27	3.53	3.72
60....	4.25	4.53	4.40	4.32	4.28	3.81	4.04	4.17
65....	4.59	4.86	4.71	4.63	4.60	4.33	4.49	4.56

We see at once by these percentages that the pressure on the limited payment life policies is but little greater than the pressure upon the whole life policies, no matter how small the number of payments may be, and that the inclusion of the endowments with the limited payment policies will bring the pressure down to, if not below, the pressure on the whole life policies. We can therefore safely take the whole life policies as indicating the maximum average pressure, and if we further take age 35 as the approximate average age at entry we shall further see that an average annual charge of two and one-half per cent on the premium income will be the maximum required to restore the reserve to its normal level by the time the end of the premium paying period is reached. The practicability of the method, therefore, is amply demonstrated, as also is the relative smallness of its cost to the insured. A further allowance, however, will accrue to companies in the mortality saving, which by this method is not anticipated. The first year's mortality is usually well within fifty per cent of the tabular rate, and therefore one-half of the tabular mortality cost for the first year will be available for the expense fund, and the total sum under this heading will be made up as follows:

AGE 35—AMERICAN EXPERIENCE, THREE PER CENT.

	Office Premium.	Un- Capitalized Loading.	Capitalized Loading.	One-half of One Yr. Term Premium (Mortality Saving).	Total Sum Available for 1st Year's Expenses.	Per Cent of 1st Year's Premium Available For Expenses.
Whole Life.....	26.35	4.61	13.05	4.34	22.00	83.5
5-Payment Life.....	104.56	11.15	13.05	4.34	28.54	27.3
10-Payment Life.....	58.58	7.31	13.05	4.34	24.70	42.2
15-Payment Life.....	43.51	6.04	13.05	4.34	23.43	53.8
20-Payment Life.....	36.22	5.44	13.05	4.34	22.83	63.0
10-Year Endowment..	103.10	12.25	13.05	4.34	29.64	28.7
15-Year Endowment..	67.23	8.69	13.05	4.34	26.08	38.8
20-Year Endowment..	49.85	6.96	13.05	4.34	24.35	48.8

This table is valuable as giving a good practical idea of the proportion of the first year's premium under each description of policy that may be devoted to expenses, and this being known and acted upon, the reserve values will be on hand at the end of the year as a matter of course. It may, however, be interesting to show how these reserve values are computed. They are in all cases the usual tabular reserve values less the capitalized annual charge outstanding. Taking age 35 at entry by way of illustration—the whole life reserve at the end of the first year is \$12.88, from which is to be deducted $.655 \times 19.6608 = \$12.88 =$ the annual charge multiplied by the tabular life annuity at the attained age 36. At the end of the second year the tabular reserve is \$26.13, from which is to be deducted $.655 \times 19.3969 = \$12.70 =$ the annual charge multiplied by the tabular life annuity at the attained

age 37. The reserve at the end of the first year is therefore zero, and at the end of the second year \$13.43, and if the process is continued it will be found that the resulting reserves in the case of whole life policies are always the reserves at an age one year older than the actual age at entry and for one year's less duration, as by the nature of the problem they should be.

In the case of a ten-payment life policy the tabular reserve at age 35 at entry is for the first year \$42.65, and for the second year \$86.85. The annual charge is \$1.545, and this is to be multiplied by 7.7366, the tabular value of a nine-year annuity at the attained age 36, and by 7.0023, the tabular value of an eight-year annuity at the attained age 37, and then respectively deducted from the tabular reserves as given. Performing the multiplication we have \$11.95 and \$10.82, and the resulting reserves will accordingly be \$30.70 for the first year and \$76.03 for the second year. The same deductions from the tabular reserve will be made in the case of a ten-year endowment, and the tabular reserves for the first and second years being \$83.78 and \$170.74, the resulting values will be \$71.83 and \$159.92. This will sufficiently show how the reserves may be arrived at. They may be found printed in detail in Miles M. Dawson's Comparative Reserve Tables, in which are also given the reserves by the Select and Ultimate Method.

As the method just referred to enters so importantly just now into the allowance for the first year's cost, a Select and Ultimate Table has been prepared on the lines of the table last given and is presented as follows:

AGE 35—SELECT AND ULTIMATE, THREE PER CENT.

	Office Premium.	Loading (Un- Capitalized).	Capitalized Mortality Saving.	Total Sum Available for 1st Year's Expenses.	Per Cent of 1st Year's Premium Available for Expenses.
Whole Life.....	26.35	5.27	10.75	16.02	60.8
10-Payment Life.....	58.58	8.85	10.02	18.87	32.2
15-Payment Life.....	43.51	7.17	10.37	17.54	40.3
20-Payment Life.....	36.22	6.37	10.52	16.89	46.6
10-Year Endowment..	103.10	13.80	9.04	22.84	22.2
15-Year Endowment..	67.23	9.81	9.86	19.67	29.3
20-Year Endowment..	49.85	7.88	10.21	18.09	36.3

The extent to which the two systems differ in the allowance for the first year is seen at a glance, as follows:

AGE 35—AMERICAN EXPERIENCE, THREE PER CENT.

	Per Cent of 1st Year's Pre- mium Available for Expense		Difference.
	Restricted Gross Premium Method.	Select and Ultimate Method.	
Whole Life.....	83.5	60.8	22.7
10-Payment Life.....	42.2	32.2	10.0
15-Payment Life.....	53.8	40.3	13.5
20-Payment Life.....	63.0	46.6	16.4
10-Year Endowment..	28.7	22.2	6.5
15-Year Endowment..	38.8	29.3	9.5
20-Year Endowment..	48.8	36.3	12.5

The Restricted Gross Premium method, therefore, affords a more practicable margin for expenses than does the Select and Ultimate method, not only in respect of the first year but in the years immediately succeeding, for the Select and Ultimate method cramps the operations of a company beyond the first year by restoring the reserve to its normal level in too short a time—a defect the Restricted Gross Premium method is wholly free from. The writer also submits that the name he has given to the latter method of valuation is more suitable in every way than the name it is usually known by. That the first year's reserve is made over to the expense fund, and is replaced by a charge on the loading extending over the whole of the premium paying period has been made evident, and the worn-out contention that the method is a net premium method should therefore be abandoned as utterly untenable. The Select and Ultimate method of valuation is also a gross premium method, notwithstanding the fact that the tabular net premium is valued, for the reversions and annuities, during the first five years, are changed to suit the occasion on precisely the same ground as the premiums valued by the Restricted

method are changed from net to gross premiums. Both, therefore, are gross premium systems of valuation—the one for five years and the other until the premium paying period has ceased.

In conclusion, the writer submits the self-evident proposition that a large volume of business obtained at a moderate cost must in the end prove more beneficial to the insured than an insignificant volume obtained at a cost but a trifle lower, and as he has shown that this desideratum may be placed within the reach of all by the Restricted Gross Premium method, he further submits that the interests of the public will best be consulted by liberalizing the standard of valuation in the way he has advocated.

THE MIDDLE STATES.

Mutual Life Insurance Company Economies.

The management of the Mutual Life Insurance Company has made public a statement showing the running expenses of the company for the first six months of the present year under the new management as compared with the expenses for a corresponding period of 1905 under the old regime. The schedule shows a decrease in every item of expenditure, save taxes, over which the company has no control. Several new expenses were incurred, such as for the preparations of policy lists, investigations and other things growing out of the developments in life insurance. The net decrease for the six months, not counting these new items, is \$3,278,858. Including the extraordinary expenses the schedule shows a saving of \$3,074,520.

In the matter of commissions paid on new premiums there has been a decrease of \$1,944,952, and on renewal premiums a decrease of \$238,697. The agency expenses have been cut by \$141,428 and salaries by \$115,626. These figures do not, it is said, represent the entire saving in salaries, as the salaries of employees have in some cases been included in other items of expense.

The advertising account has been decreased by almost \$100,000 and the legal expenses by \$130,500. These are two of the accounts to which questionable expenditures were charged under the old management. The expenses of operating the company's office building and other property have been reduced by \$35,916. More than \$211,000 has been saved on the printing and stationery account alone. More than \$6000 has been saved in committee fees, and \$20,000 in expressage, freight and restaurant expenses. Over \$13,000 has been saved in postage, telephone and telegraph charges. According to the statement it cost the Mutual for the investigations which it has made this year \$176,184. Most of this went to expert accountants. It cost the company almost \$25,000 to prepare the list of policyholders filed in Albany in accordance with the new Armstrong laws.

The statement shows a decrease of \$2,710,603 in premium receipts on new business. In the first six months of 1905 the premiums on new business amounted to \$4,453,372. This gives some idea of the disastrous effect of the insurance scandals on the company's business. The receipts from renewals show an increase over the first six months of 1905 of \$637,113. The total receipts from the two sources show a decrease of \$2,073,490.

Penn Mutual Life Insurance Company Changes.

At the fall meeting of the Penn Mutual Life, held on September 5, George K. Johnson, for over nine years first vice-president of the company, was elected unanimously to succeed the late Harry F. West, as president. Mr. Johnson has been with the company for ten years in the capacity of trustee and since 1896 he has been the company's first vice-president. Lincoln K. Passmore, a prominent grain exporter of Philadelphia, who has been with the company for twenty years, was selected to succeed Mr. Johnson as first vice-president. William H. Kingsley was elected second vice-president. Mr. Kingsley has been with the Penn Mutual for more than twenty-five years, entering its service as an office boy, and by hard work made his way into the company's financial department, of which he was later put in charge. In 1903 he was elected secretary and treasurer. John Humphries, who succeeds Mr. Kingsley as secretary and treasurer, has been with the company for twenty years, most of that time having been spent in the financial department.

—The United States Life of New York has under consideration the advisability of confining its operations only to non-participating insurance after January 1, 1907.

—The Mutual Benefit Life calls attention to an erroneous table which has appeared in several insurance journals, in which the disbursements of the company for the first six months of this year have been overstated by \$2,000,000. In

view of the close attention now being given to this item, the company wishes to avoid repetition of this error.

—During August the Reliance Life received 266 applications for \$565,000 insurance, which is highly encouraging in view of the fact that this year the company is not offering any special inducements of any kind for new business.

THE WEST.

The Wisconsin Investigation.

On September 7 the legislative insurance committee of Wisconsin had before it Attorney T. W. Spence, legislative agent for the Northwestern Mutual Life during the session of 1901, when the taxation bills were being considered. The committee inquired what Mr. Spence did with the \$11,000 which he received from the company for his work and Mr. Spence made a statement which was backed by a sworn statement from President Palmer of the company. Mr. Spence testified that about \$8000 was paid for the service of himself and assistants and Assemblyman Ekern asked who the assistants were, but Mr. Spence said he preferred not to say. Under pressure he stated that two of them were Henry F. Cochems and C. A. A. McGee. One was paid \$350 and the other \$25 a day while at Madison, and \$15 a day for office work. The reply created quite a sensation. Mr. Cochems at the time was of the inner circle of Governor LaFollette's advisors, and Mr. McGee was also very close to the Governor. Mr. Sprague said they were not registered as lobbyists, though the law was in force, as he was under the impression that the law did not require the registration of assistants. He said many members knew the two were representing the company, but it was not a matter of common knowledge.

Mr. Spence then told of an attempt to hold the company up through him on the taxation bill. A member, he said, had left notes in his box stating that he was much interested in the legislation Mr. Spence was trying to secure and was in favor of his bill, but so far he had received nothing but the glad hand and he was sorely in need of funds. Mr. Spence did not make known the name of the member and the committee did not ask for it. It is understood, however, that he left the State some time ago.

Next to the pay of Mr. Spence and assistants, the largest item of expenses was hotels and incidentals, which ate up over \$1200. Two detectives were employed to keep watch of the members to see that they did not present any sandbagging bills as he feared other companies opposed to the Northwestern would endeavor to put the entire burden on that company, but the detectives did no lobby work. Mr. Spence maintained that he had conducted the campaign for the company in a fair and perfectly legitimate manner.

Ohio Jottings.

[FROM OUR OWN CORRESPONDENT.]

L. D. Drewry of L. D. Drewry & Co., State agents of the Mutual Benefit, was a visitor in Cleveland a few days ago.

Frank J. Deericks, special agent of the Aetna Life in the Cleveland office, died suddenly last Wednesday evening of heart failure, near Hayward, Wis., where he was spending his vacation on an outing with friends.

The first fall meeting of the Cleveland Association of Life Underwriters, which was to take place last Monday, has been postponed on account of the funeral of Frank J. Deericks, late of the Aetna Life.

A. E. Gerber, agent of the Metropolitan, was shot in the arm by William Martin of Amherst while seeking to collect a premium from the man's wife.

O. M. C.

Cleveland, September 10.

The Colorado National Life Assurance Company.

After twelve months of active work the Colorado National Life Assurance Company was able to show excellent results and issued a statement on December 31, 1905, which was highly creditable to its officers and managers. On that date the assets amounted to \$320,923, liabilities \$40,693 and surplus to policyholders \$280,230. The paid for business for the first twelve months amounted to \$3,010,591, on which premiums of \$140,163 were paid. The company has been fortunate in the selection of A. M. Gildersleeve as general manager of agencies, as he is well qualified for this important position, having had abundant experience in the field of life insurance and has shown ability in the organization and management of field forces. The company's directors are men of prominence and are identified with many successful Western enterprises. They are: B. B. Brown, president, capitalist, Denver; Charles M. MacNeill, vice-president, vice-president U. S. R. & R. Co., Colorado Springs; Fred

G. Moffat, treasurer, cashier First National Bank, Denver; H. L. Sears, secretary, Denver; A. M. Gildersleeve, general manager agencies, Denver; W. W. Grant, M. D., medical director, Denver; James B. Grant, director American Smelting and Refining Company, Denver; J. A. Hayes, president First National Bank, Colorado Springs; Spencer Penrose, treasurer, United States Reduction and Refining Company, Colorado Springs; Thos. B. Stearns, vice-president Stearns-Roger Manufacturing Company, Denver; Harry K. Brown, secretary J. F. Brown Investment Company, Denver; Clarence C. Hamlin, mine owner, Colorado Springs; J. Arther Connell, President Colorado Title and Trust Company, Colorado Springs.

—Arthur C. Wells has resigned as Indiana manager of the ordinary department of the Prudential.

—The Union Central Life will hereafter make loans on policies at 6 per cent, instead of 8 per cent.

—O. L. Van Laningham, former president of the State Agency Company of Indiana, now in receiver's hands, has offered to purchase the company and deposit \$25,000 as evidence of his purpose to pay all stockholders the face value of their investments.

—Frank L. Smart, having voluntarily resigned as vice-president and agency manager of the Security Life and Annuity Company of Chicago, to take charge of important territory, George C. Gale has been advanced from the position of treasurer to that of vice-president. H. D. Underwood, who formerly had charge of the office now occupied by Mr. Smart, becomes a special agent in Pennsylvania and New Jersey.

—The American National Life Ins. Co. of Detroit is about to file articles of incorporation. The capital stock is \$250,000, of which \$100,000 is paid in, and the company expects to begin business December 1. It will issue standard forms of life and endowment policies on the non-participating plan, and will calculate its rates on a 3½ per cent basis. Among the stockholders are F. J. Kirtz, assistant cashier Citizens Savings Bank; Charles Flowers, former city attorney, who will head the legal department, and A. W. Emier, chief medical examiner, and Edward J. Brazier, secretary and actuary.

—The Inter-State Life Insurance Company has been chartered at Nashville, Tenn., with a capital stock of \$500,000. Its incorporators are: E. R. Richardson, Oliver J. Timothy, Joseph H. Thompson, M. McGannon, A. M. Murton, Guilford Dudley and G. M. Neely. The company expects to begin business operations January 1, and the capital will be furnished almost entirely by physicians in Tennessee and other Southern States. The organizers hold the view that the great losses to life insurance companies are through bad risks, and this can be overcome by interesting the physicians of the South in the company.

—Alfred A. Laun of New Holstein, Wis., is suing the Pacific Mutual Life under the Wisconsin anti-rebate law to recover the full amount of premiums paid. It is alleged in the complaint that, as Mr. Laun was given rebates, his policy was rendered void under the Wisconsin law; that he, therefore, has not been insured; that the company rendered no service for the premium, and he is, therefore, entitled to its return. Mr. Laun avers that the rebates were given him in consideration of his letting the company make use of his name as a "local adviser" in Wisconsin. He was to do no actual work, but should receive certain reductions.

—The Chicago Life has replied, through its general counsel, to the Colorado Insurance Commissioner concerning the attitude taken by that official toward the company, in a letter dated August 27. The company argues that the Commissioner considered only admitted assets in figuring an impairment last June of \$29,441. The company claims that its gross assets have shown an increase. Also that, instead of the surplus having shown a reduction for the past two years, it has, in fact, increased, which increase is shown in the company's agency plant and the \$6,000,000 of business on the books. The company has arranged to issue a portion of its special stock at an advance on the original price. This will require sixty days to accomplish under the Illinois laws. The company criticizes the Commissioner's action in giving so much publicity to the matter under discussion, and adds: "If your Department desires to give us an opportunity to accomplish the results above set forth, we will be pleased to continue business in your State, otherwise you may consider this a formal notice of our withdrawal from the State of Colorado."

THE SOUTH.

—The Meridian Life and Trust has entered West Virginia and appointed O. K. Sutton State agent.

—During July the Greensboro Life of Greensboro, N. C., received applications for over \$1,000,000 insurance.

—The Lamar Mutual Life of Jackson, Miss., has purchased a building on Capitol street, to be used as a home office.

—The firm of M. Porter Walker & Co. of Birmingham, Ala., has been succeeded by the firm of Walker & Oliver. This firm has the general agency of the Aetna Life in all its departments, and is preparing to materially extend the business of that company.

—The Fidelity Mutual Life has just issued a \$50,000 policy to a prominent man of Georgia, who paid a single premium of \$25,362 for the policy. The insurance was taken to protect a business venture, and the application was secured by Mr. Arline of Jackson and Arline.

MISCELLANEOUS LIFE NEWS.

Life Insurance Developments of the Week.

Immediately following the publication of letters charging agents of the Mutual Life of New York with wholesale rebating in Texas, the following explanation was given to the press by Second Vice-President George T. Dexter:

The statement that the Mutual Life agents in Texas were rebating was first brought to our attention through a communication to the president through a discharged and disgruntled employee of our San Antonio office.

Specific charges were made and the names of the policyholders alleged to have received a rebate were furnished. An investigation was immediately started and we have a written statement from every one of the policyholders we have so far been able to reach denying the charge. The complainant has been informed of this fact and asked to furnish proof of his claim. We are ready to take summary action in this or in any other case where proof is produced that agents of this company are violating or have violated our instructions prohibiting rebating. Our instructions are explicit, and agents will be dismissed whenever the offense is proved.

Samuel Untermeyer, counsel for the international committee, will sail on September 11 for Europe, where he will perfect the committee's branch organizations there and incidentally take a brief rest. He will be back in this country before the announcement of the committee's ticket on October 18.

Following Bishop McCabe's letter to Chairman Alton B. Parker of the international policyholders executive committee, in which he recommended that the international organization indorse the administration tickets of the Mutual and New York Life, the committee met at the Waldorf-Astoria on Thursday last and unanimously voted the bishop out of the committee. The international committee at this meeting also selected the men it will present on the policyholders' tickets for trustees of the Mutual and New York Life. In selecting the former ticket the international organization co-operated with the Mutual Life Policyholders Association. The tickets will not be made public until September 18, the date on which they must be filed in Albany.

In relation to the alleged appointment on the administration ticket of four members of the policyholders' committee, against the wishes and without the consent of said members, this resolution was unanimously adopted by the committee:

Resolved, that the placing of the names of four members of this committee on the administration ticket of the Mutual Life Insurance Company, without the consent and against the protests of those whose names were thus used, tends to deceive the policyholders who are called upon to vote, and deserves the reprobation of all fair-minded men. The policyholders are warned against this attempt to deceive them, and are advised not to vote for any ticket containing the names of these four gentlemen.

The committee from the Mutual Life Policyholders Association, which co-operated with the international organization in selecting the Mutual Life ticket, consisted of these men: B. N. Baker of Baltimore; Calvin Tompkins of New York; John DeWitt Warner; T. T. Cotman of Little Rock, Ark.; Alfred E. Hammer of Branford, Conn.; U. G. Orendorff of Canton, Ill.; Charles M. Harl of Council Bluffs, Ia.; Leslie C. Cornish of Augusta, Me.; Hamilton Carhart of Detroit; R. Y. Mitchell of Springfield, Mo.; Frank W. Rollins, Concord, N. H.; Caesar Cone, Greensboro, N. C.; Arthur B. Farquhar, York, Pa.; Dr. Henry D. Holton, Brattleboro, Vt.; John Skelton Williams, Richmond, Va., and Col. B. A. Scott, Quebec, Canada.

A nominating committee from each of the policyholders' organizations first agreed upon the Mutual Life ticket and then the ticket was discussed separately by each organization. Finally the committees came together in a joint meeting and formally adopted the ticket. The nominating committees had been working for several weeks on the ticket. The selections were made from men recommended by policyholders throughout the country.

In naming the New York Life ticket the international committee acted independently. Members of the international organization as well as the members of the Mutual Life Association pledged themselves to secrecy in regard to the nominees on both tickets. They feared that if the names were announced before September 18 the life companies, through another policyholders' organization, would present a third ticket containing the names of many nominated on the international tickets. In this way the policyholders would be confused and the vote would be split. There has already been talk of a third policyholders' movement, and the international officers have regarded it with suspicion.

It was made public on Tuesday, that James C. Colgate of the banking firm of James B. Colgate & Co., and the second largest policyholder in the Mutual Life, has called a meeting of Mutual policyholders for the purpose of organizing a committee to support the Mutual's present administration. Mr. Colgate has, under date of August 30, mailed copies of a letter to thirty large policyholders in the United States and Canada, asking them to attend the meeting, which was held at the Waldorf-Astoria yesterday.

Mutual Benefit Life Insurance Company Changes.

The Mutual Benefit Life is continuing its policy of dividing up its agencies as the business in various localities assumes larger proportions. Several managing agents have recently surrendered portions of their territory and this will permit the establishment of new and independent agencies under direct contract relations with the company. This action has been taken only after a careful survey of the territory to be divided and only when the assurances were of a most positive character that not only would good results follow, affecting alike favorably the company, the managing agent surrendering territory and the incoming managers. The experience thus far has proved conclusively the wisdom of this policy and the new agencies are sharing liberally in the company's generally increasing business, while the old agencies which have been divided are profiting by the increased attention they are able to give to their more limited fields. It is the purpose of the home office managers to constantly increase the number of agents brought into direct relations with the home office. On and after September 1, the firm of Bokum & VanArsdale, State agents for Illinois, will be dissolved. R. D. Bokum will remain in charge of the Chicago metropolitan agency, which will include fifteen northern counties in Illinois. A new agency will be established in Peoria, and W. T. VanArsdale will be placed in charge of same. The Peoria agency will include twenty-six counties in Central Illinois. The third agency, for Southern Illinois, will be established at Springfield. This field will be under the direction and control of F. E. DeGroat, present district manager at Buffalo, under A. S. Johnston.

Preliminary arrangements have been made for the establishment of three agencies in Iowa. Charles B. Van Slyke, present State manager, will continue in charge of the Des Moines or Central Iowa agency. In all probability, several counties will be added to the Northeastern Iowa agency, now controlled by S. Griffin Ball. The Western Iowa agency will be established at Sioux City, the same to include twenty-one counties. The State of Utah is to be separated from the territory now controlled by State Agent G. A. Newkirk of Denver. Former State agent for New Mexico, Wm. J. Cardwell, has been given the refusal of the Utah agency, and it is quite probable that he will establish himself at Salt Lake City. Mr. Cardwell has been succeeded by Thomas Seward, who is a well-equipped life underwriter and is thoroughly acquainted with the conditions in that territory in which he has worked for a long time.

It has not yet been definitely decided who will be given charge of the Salt Lake City and Western Iowa or Sioux City agencies.

The Canadian Investigation.

The Royal Commission on insurance resumed its sittings on September 4 at Toronto, and the Monarch Life was investigated. P. Marshall Ostrum, promoter of the company and its present manager, stated that he was to get \$50,000 paid-up stock for a copyrighted policy, which is issued by the company; that he took in payment \$140,000 of the stock, but that later President Gordon canceled the portion of these certificates which he had signed and the copyright still stands in Mr. Ostrum's name, and the board of directors were recently informed that these certificates had not been issued, and the directors were not, up to the time he gave evidence, aware that he had them in his possession. Mr. Ostrum has a five-year commission contract with the company and he can not be dismissed unless impropriety is proved against him in open court. In the two years he has been working for the company he has received about \$23,000 in salary and commissions. T. H. Graham, first vice-president, testified that he had not signed any stock certificates prior to his election to the vice-presidency in March last, and fourteen certificates were produced showing transfers of stock to Mr. Ostrum, signed by the witness. The Western directors had objected to Mr. Ostrum receiving the shares and the examiner finally discovered that Mr. Graham's signature was placed upon them the day before the examination.

Berlin Conference.

The fifth International Congress of Insurance Actuaries opened in Berlin on September 10, Japan and all the leading countries of Europe being represented. Professor Gore of the Department of Commerce and Labor represents the United States Government. On behalf of Vice Chancellor Posadowsky-Wehner, Under Secretary Wermuth tendered the greetings of the government, referring to the success of Germany's system of workmen's insurance, which is now meeting with approval in other countries. Among the Americans and Canadians attending the convention are: Robertson Macaulay of Montreal; F. L. Hoffman of Newark, N. J., and Mr. Rose. Mr. Macaulay's response to Under Secretary Wermuth's greetings received great applause as did, also, Mr. Hoffman, who spoke in German on industrial insurance.

Casualty, Surety and Miscellaneous**The "Square Deal" Policy.**

The Philadelphia Casualty has issued a policy which it calls the "Square Deal." It is issued to select, preferred, extra preferred, ordinary and medium risks, and provides, for select risks, \$2000 death benefit, \$50 monthly accident benefit and \$40 monthly sickness benefit. The annual premium for ages 18 to 49 is \$20; ages 50 to 60, \$26. For the lower classifications the indemnities are graded but the premium remains the same.

If the applicant desires indemnity covering the first week of sickness, the policy will be endorsed to cover this at an additional premium of thirty per cent, thus making a complete protection against any loss resulting from sickness or quarantine, and if double indemnity against travel accidents is wanted, an additional charge of ten per cent will be made for this covering. The accident indemnity limit is twelve months, sick indemnity limit, six months. For loss of both hands, feet or eyes or of one hand and one foot, the principal sum is paid; for loss of hand or foot, one-half the principal sum, and for loss of an eye, one-third the principal sum.

United Surety Guarantees Mortgage Bonds.

The United Surety Company of Baltimore is prepared to guarantee the interest for ten years on \$300,000 six per cent mortgage bonds issued by the Monongahela Industrial Company, a concern which proposes to operate in the vicinity of Fairmont, W. Va., and by offering the advantage of cheap fuel and natural gas, hopes to encourage the establishment of industrial plants on its property. The officers of the Monongahela Industrial Company are: J. C. Hutchinson, president; James A. Meredith, secretary, and John O. Morgan, treasurer. The Maryland Trust Company of Baltimore has been made trustee for the issues of \$300,000 first mortgage and \$100,000 second mortgage six per cent bonds of the concern. The fixed charge on the first mortgage bonds is \$18,000 annually, so that the United Surety guarantees the payment of \$180,000 during the ten years which the bonds are to live.

Olin Bryan Leaves United Surety Company.

The board of directors of the United Surety Company met on September 6, and the resignation of Olin Bryan as president was accepted. No successor was chosen, the matter going over for consideration at the regular meeting of the board on September 27. Walter T. Rosen of Ladenburg, Thalmaun & Co. resigned from the board, and J. Markham Marshall, of the law firm of Underwood, Van Vorst & Hoyt, of New York, and Frederick H. Gottlieb of this city were elected to membership on the board.

July Embezzlements.

Press notices and dispatches, as collated by the fidelity department of the Fidelity and Casualty Company of New York for the month of July, 1906, indicate defalcations as follows: Banks and trust companies, \$41,850; benevolent societies and institutions, \$438; Federal and State, \$57,062; municipal and county, \$54,667; firms and corporations, \$87,477; transportation companies, \$4946; insurance companies, \$358; miscellaneous, \$312,407; total, \$559,205.

Casualty Notes.

—The Title Guaranty Company of Dallas, Tex., began business on September 1 with a cash capital of \$121,000.

—Charters have been granted to the Athens Co-operative Live Stock Insurance Company and the Macou Live Stock Insurance Company, both of Georgia.

—A new class of insurance is said to have been introduced in Odessa which insures against riots, mob violence and revolutionary risings, the premiums ranging from two and a half to three per cent.

—The Fidelity and Casualty is preparing to issue automobile powers of attorney enabling motorists when arrested for speeding to go on their way by furnishing a bond of a licensed surety company guaranteeing their appearance in court.

—Seven Chattanooga agents of the National Life and Accident Insurance Company of Nashville were arrested recently, charged with re-

bating premiums and discriminating between policyholders. The offense is punishable by a fine of \$100 to \$200, imprisonment for thirty days, or both.

—The long-talked of reinsurance of the New York Casualty Company has been effected by the National Casualty of Detroit. The New York office of the New York Casualty will be occupied as Eastern branch offices of the National Casualty.

Surety Notes.

—D. E. Munroe has resigned as superintendent of agents of the Illinois Surety.

—The Bankers Trust Company of Kansas City contemplates entering the surety bond field. The company has a capital of \$350,000.

—Edmund H. Driggs, first vice-president of the Empire State Surety, has resigned that position and also his place on the directorate.

—The Peoples Surety has received its accident and health policy forms, which will appear in six varieties, and is now ready to write these lines.

—The Title Guaranty and Surety of Scranton has appointed Sperry & Klein of San Francisco, its general agents for the Northern and Middle districts of California.

—The National Surety is on the bond of the city of Chicago in its litigation with the traction, light, power and other public service corporations over their taxes.

—On September 1 the Empire State Surety opened a separate branch office for its casualty lines, at 146 Montague street, Brooklyn, in charge of H. C. F. Dohu. The new branch will write liability, accident, steam boiler and plate glass lines and the Fulton street office will manage the surety business.

—The Title Guaranty and Surety has been trying for some time to be released from liability under bonds issued to members of the police force of Paducah, Ky., owing to heavy losses it has had to bear. The Fidelity and Deposit is willing to take up the bonds at a higher rate, but the Title Guaranty has not yet been released and the bonds do not expire until December.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a mouthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Agricultural Insurance Company, Watertown, N. Y.

Under date of September 11, 1906, the Agricultural of Watertown stated that it had completed the adjustment of its San Francisco losses, with the exception of a few losses still in the hands of the general committee, and some others under policies reinsuring other companies, the adjustment of which is not under its control. The Agricultural's general adjuster, C. H. Lacey, closed his office on September 7, and left for home.

American Guaranty Fund Mutual Fire Insurance Company, St. Louis, Mo.

This company's affairs are being wound up, and all claims of policyholders are expected to be settled by September 30, 1906.

Insurance Company of the State of Pennsylvania, Philadelphia.

The capital stock of this company has been reduced from \$400,000 to \$200,000 by a change of par from \$100 to \$50. The \$200,000 will be added to the company's surplus.

Keystone Underwriters, Pittsburg.

The Keystone Underwriters, composed of the German Fire, German-American, Monongahela and Union of Pittsburg, has completed organization and commenced issuing policies September 1. A. H. Eckert, secretary and treasurer of the German Fire, will act as manager of the new combination until a permanent manager can be secured.

London and Lancashire Fire Insurance Company, Liverpool.

Semi-annual statement, July 1, 1906 (United States branch): Assets, \$3,290,964; net surplus, \$972,590.

Loyal-Northwestern Mutual Fire Insurance Company, Denver, Col.

The Loyal-Northwestern Mutual Fire of Denver, Col., has reinsured all its outstanding liabilities in the National Mutual Fire of Omaha.

Merchants Fire Lloyds, New York.

Semi-annual statement, July 1, 1906: Assets, \$56,982; reinsurance reserve, \$17,531; net surplus, \$21,814.

Midland National Insurance Company, St. Louis, Mo.

This company is in process of liquidation, and it is anticipated that its affairs will be closed up by September 30, 1906.

Milwaukee German Fire Insurance Company, Milwaukee.

The capital stock of this company has been increased from \$50,000 to \$100,000, the new stock being issued at 120.

National Union Fire Insurance Company, Pittsburg.

Semi-annual statement, July 1, 1906: Assets, \$3,164,678; reinsurance reserve, \$984,882; net surplus, \$275,570.

North British and Mercantile Insurance Company, London.

Semi-annual statement, July 1, 1906 (United States branch): Assets, \$7,153,940; reinsurance reserve, \$3,349,293; net surplus, \$588,077.

Northern Assurance Company, London.

Semi-annual statement, July 1, 1906 (United States branch): Assets, \$4,423,659; reinsurance reserve, \$2,215,923; net surplus, \$1,919,772.

Norwich Union Insurance Society, Norwich.

Semi-annual statement, July 1, 1906 (United States branch): Assets, \$2,874,140; net surplus, \$967,739.

Orient Insurance Company, Hartford.

Semi-annual statement, July 1, 1906: Assets, \$2,466,482; net surplus, \$250,000.

Palatine Assurance Company, London.

Semi-annual statement, July 1, 1906 (United States branch): Assets, \$4,459,545; net surplus, \$1,277,059.

Phoenix Assurance Company, London.

Semi-annual statement, July 1, 1906 (United States branch): Assets, \$3,527,419; reinsurance reserve, \$1,877,919; net surplus, \$1,341,909.

Queen Insurance Company of America, New York.

Semi-annual statement, July 1, 1906: Assets, \$7,350,918; reinsurance reserve, \$2,872,430; net surplus, \$1,513,237.

Rochester German Insurance Company, Rochester, N. Y.

Half of the new capital stock of the Rochester German has been called and paid in, and the remaining half is payable on September 30. This plan will give the company a paid-up capital of \$500,000 and a net surplus of \$500,000, after providing for all losses sustained by the San Francisco conflagration.

Royal Insurance Company, Liverpool.

Semi-annual statement, July 1, 1906 (United States branch): Assets, \$11,207,849; reinsurance reserve, \$4,894,852; net surplus, \$1,669,813.

Southern Mutual Insurance Company, Athens.

Semi-annual statement, July 1, 1906: Assets, \$1,075,093; reinsurance reserve, \$156,178; net surplus, \$663,715.

Sun Insurance Office, London.

Semi-annual statement, July 1, 1906 (United States branch): Assets, \$3,752,998; net surplus, \$57,291.

Sun Insurance Company, New Orleans.

Semi-annual statement, July 1, 1906: Assets, \$1,225,021; net surplus, \$288,498.

Union Assurance Company, London.

Semi-annual statement, July 1, 1906 (United States branch): Assets, \$1,754,757; reinsurance reserve, \$751,722; net surplus, \$890,870.

United Firemens Insurance Company, Philadelphia.

Semi-annual statement, July 1, 1906: Assets, \$1,952,187; reinsurance reserve, \$1,352,449; net surplus, \$38,877.

Western Assurance Company, Toronto.

Semi-annual statement, July 1, 1906 (United States branch): Assets, \$2,417,572; net surplus, \$808,743.

Williamsburgh City Fire Insurance Company, Brooklyn.

Semi-annual statement, July 1, 1906: Assets, \$2,861,399; reinsurance reserve, \$1,054,608; net surplus, \$1,108,815.

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MEDICAL MEN TO MANAGE A LIFE COMPANY.

NUMEROUS reasons have been advanced as excuses for the formation of new life companies, and the organization of these new concerns continues, with little sign of abatement. The various promoters have widely different ideas as to the methods by which they hope to build up their companies, but the prevailing opinion of organizers seems to be that in some way, not always definitely stated, great savings can easily be made in the conduct of the business. Thus, one organizer sees great possibilities of economy in the scheme of selling life insurance without the intervention of the costly solicitor; another would eliminate medical examinations altogether; another favors some untried method of reserves; and still another sees great possibilities of building up a company by appealing to some special class, such as total abstainers. It is proposed to organize a life company in the South which will be managed only by men established in the medical profession, the belief of the promoters being, according to the announcement of this company's organization, that the heavy losses of life insurance companies are due to poor selection of risks with consequent excessive mortality. The proposed company is to be financed almost entirely by Southern physicians. It is stated as the belief of the promoters that if a company be formed and managed by medical men, their natural interest in its welfare, coupled with their medical knowledge, will result in an unusual amount of care in the selection of risks and so reduce the mortality ratio to its lowest terms.

The life companies now in existence generally make use of the best medical ability available in the territory in which they operate, and even the best examiners are frequently deceived in the selection of a risk. Declined risks have a well-known trick of outliving the company which turned them down, and others, apparently in the best of health, live to pay only a few premiums, to the confusion of the examiners' findings. Of course, every company, no matter how expert and painstaking its medical staff may be, must have business, and it must be gotten in the usual way, by hard work, which will only be exchanged for a liberal return in real money. It will find the procurement of new business just as expensive as other new companies starting out with nothing more

than a sense of local pride to bank upon. It is not known by just what methods the desired result of low mortality is to be accomplished, but by looking over the mortality experience of a large number of life companies in the United States, it immediately becomes apparent that, although all companies have access to the same mortality tables and have the same facilities for keeping down mortality, there is a vast difference in their experience. In 1905 fifty-six companies experienced an average actual to expected mortality of 76.33, or a saving of 23.67. This ratio varies very little for the past ten years, and the average for the whole period is 77.08. The hope of promoters of companies which will make a specialty of reducing mortality lies mainly in the wide range of experience among different companies. Of twenty-eight companies doing business ten years ago, the youngest of which is thirty years old and the average age of all over fifty years, the Connecticut General shows an average percentage of actual to expected mortality of 56.05. Two other companies are under 60 per cent; six are over 60 and under 70; twelve are over 70 and under 80; five are over 80 and under 90; two between 90 and 100, and one company, which did a sub-standard business from 1896 until about three years ago, shows a percentage of 112.90. Eighteen companies out of the twenty-eight were below the average for the past ten years. With this exhibit of wide differences in mortality experience as a source of encouragement, it is to be hoped that the proposed company will find a way to carry out the very laudable ambition of its promoters.

NEW YORK LIFE COMPANIES RESTRICTED.

ONE of the most urgent duties incumbent upon the legislators of New York State, when they convene in January next, is to undo the wrong perpetrated upon the life insurance companies of this State by the law requiring such companies to use only the policy forms prescribed therein, and forbidding such companies to write upon both participating and non-participating plans, while leaving companies not domiciled in New York State, according to the opinion of the Attorney-General, free in both respects. The provisions outlined, which will go into effect on January 1 next, make it compulsory for a citizen of New York desiring a certain kind of policy which is not a "standard form," to obtain it from a company of another State or country, and also greatly restricts the choice of policy forms procurable from domestic institutions by prohibiting their writing both participating and non-participating contracts, thus strongly discriminating against New York companies and in favor of all others. Thus, a resident of New York may wish to secure a non-participating policy in a large New York company; but that company, legally required to select one plan of operation, has elected to write only participating insurance. The citizen is thus precluded from doing business with the New York company, and takes a policy in an outside company. Again, he may desire, and be able to procure, a non-participating policy in a New York company in which he is satisfied to be insured; but a company of another State offers him a more attractive policy than the New York company can issue (being limited to the "standard forms"), and the outside company gets the business. Whatever may have been the pur-

pose of the legislature in enacting these provisions, it is clear that their practical operation will be to place New York companies at a great disadvantage, as compared with other companies, not only in New York State, but wherever they may operate, as they will be obliged to offer for sale only the New York "standard forms" of policies. Unless the legislature deliberately proposes to allow New York companies to be tremendously handicapped in their pursuit of their legitimate business, it will take prompt steps to lift the burden which will rest upon such institutions after the first of next year. If the legislature refuses to repeal or properly amend these most unjust measures, the New York companies, as a matter of self-preservation, will be forced to devise some means of protecting themselves from the unfair competition to which they will be subjected under the operation of the law. Perhaps they might find it desirable to reincorporate in some other State, or States, or, by some equivalent plan, transfer their business to some jurisdiction other than that which has imposed such paralyzing restrictions upon them as to seriously threaten to diminish their future usefulness.

DURING the past week a movement has been inaugurated by prominent policyholders of the Mutual Life Insurance Company of New York, who are afraid of the consequences which might attend the passing of the management of the company into inexperienced hands, looking to the continuance in office of the present executive officers and the election as trustees of the men named on the "administration ticket." It is intimated that some of the most loyal policyholders of the New York Life Insurance Company may undertake to work along similar lines in support of the administration of that company. Those promoting the new "Policyholders Protective Association of the Mutual Life Insurance Company," as the organization recently effected is styled, have had what they consider good reason to fear that the International Policyholders Association, steered by that shrewd and wily lawyer, Mr. Untermeyer, and others, might, if successful in wresting the management from the present administration, by bringing in incompetent and inexperienced men, seriously affect the interests of the company's policyholders. In view of the strenuous efforts being made by the International Policyholders Association to work up sentiment in favor of the candidates to be selected by that association, some of the largest policyholders in the Mutual Life deemed it due to the present officers and trustees, whose services to the company they have found satisfactory, to put forth strong and concentrated efforts to secure the election of the candidates that have been selected for places upon the "administration ticket"; hence the plan to combine and organize the forces favorable to the present management in the new organization. The latter already contains enough men of weight and influence to make it apparent that the International Policyholders Association will find it no easy task to dislodge those now in charge of the company's affairs.

—Judge F. C. Brooks of the District Court at Minneapolis has denied a motion for a new trial in the case of Jacob F. Force, former president of the Northwestern National Life, convicted of misappropriation of funds. Unless the Supreme Court grants a new trial the former president will have to serve three and a half years in prison.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

H. S. Nollen, secretary of the Bankers Life Association of Des Moines, and G. S. Nollen, actuary of that company, were in town last week.

The New York Life's board of trustees met last week and Ewald Fleitmann, Fleming H. Revell, Gen. Louis Wagner of Philadelphia, and President Elbridge G. Snow of the Home Insurance Company, were elected trustees, succeeding James Stillman, George F. Seward, William E. Ingersoll and Charles S. Fairchild.

NOTES FROM PHILADELPHIA.

On Tuesday of last week, fifty shares of the stock of the Philadelphia Life Insurance Company sold at \$23 per share, and on Wednesday fifty shares sold at \$25.

The United American Life Insurance Company of this city has bought the building at 404-06 Walnut street from the Fame Insurance Company, paying \$13,000 for it, subject to a mortgage of \$30,000. The assessed valuation of the property is \$34,000.

The Independence Mutual Life Insurance Company of this city was granted a charter by the State Department last week.

THE MIDDLE STATES.

Convention of Fidelity Leaders Club.

The Leaders Club of the Fidelity Mutual Life Insurance Company of Philadelphia met in annual session at the Majestic Hotel, Philadelphia, last week. The programme presented by the Fidelity's officers to the leaders for discussion embodied many practical questions. Among them was: "To what extent will the limitations of the Armstrong law affect the general business of companies of other States?" Diversified opinions prevailed among the agents. Some were of the opinion that the provisions of the law were so revolutionary that no company outside of New York should qualify under the law, because it would prove burdensome and expensive to policyholders, and, on the other hand, it was held that while the law was on trial, and is probably not what it should be, that reforms in life insurance practice are absolutely necessary. If any of these reforms could be accomplished through the Armstrong law, then it would serve its mission, but the law is antagonistic to the best interests of policyholders. It was generally conceded that if any company could meet the conditions of the law, the Fidelity could, but whether or not it is expedient for the company to do so is a matter for the officers and the directors of the company to determine. Some of the objections urged against the law were:

1. It requires a company to add to its regular expense loading the anticipated mortality savings of five years, thus spending money before the company possesses it, instead of using the preliminary term whereby the money contributed by each insured requires such insured to pay his own way.

2. The surplus limitation is inadequate, and is opposed to the best interests of the policyholders. It was shown that between the years 1900 and 1903 the depreciation in the highest grade of securities known—namely, United States Government bonds—amounted to 18 per cent. Therefore, if the life insurance companies at that time had had invested all of their funds in United States Government bonds, and if the Armstrong law had then been in operation, every life insurance company would have been placed in the hands of a receiver, because the surplus margin is only 5 per cent to 10 per cent, which would not have covered the 18 per cent impairment.

3. The proposition to pay annual dividends beginning with the second year is ridiculous, and does not comport with good business or good financing in any sense. It is conceded absurd to take for expenses anticipated mortality savings years in advance of the savings, and then begin to return dividends to the insured the second year. Such a procedure is recognized as a stupendous and outrageous business and financial mistake.

Among other questions that provoked considerable discussion was "Policy expense limitation vs. statutory expense limitation—the need of one or the other." It is a well-known fact that the Fidelity has always advocated a policy expense limitation, and it was only natural that representatives of the company should hold that it is the right and proper way to limit the expense of management. Each company should determine for itself what this limitation should be, and then by reason of its being specified in its policy contracts, must live up to what it professes. The objection to statutory limitation is, that it applies one rule to unlike conditions. The young company with a small amount of business in force, and in which the mortality savings are large, will find it a hardship to comply with a statutory limitation; while it will be comparatively easy for the older and larger companies, and yet the aggregate cost in the younger and smaller companies will probably be less than in the larger. It was therefore contended, as a matter of interest to the insurance business in general that the statutes should not undertake to say what the expense limitation should be, but should simply require every company to declare itself in its policy contracts as to what its limitation is. The management of a life company is charged with the responsibility of perpetuating its existence, and it is only just that that management which must compete with all companies should have the right to say what its expense limitation shall be. The consensus of opinion was that reduced commissions and compensation are calculated to eliminate high-pressure methods, and will prevent lapses and rebating.

On the invitation of the club, it was addressed by President L. G. Fouse, who enthused the men with the plans and purposes of the Fidelity to such a degree that they will return to their respective fields determined to do better work than ever. Interesting addresses were also made by members of the club, and Dr. J. W. Simpson of New York spoke particularly on the situation in New York in an address entitled "Is not a life insurance solicitor's opportunity greater now than ever before?"

—The New Jersey Department report for 1905 on fraternal orders shows that the New Jersey members of these societies paid in assessments and dues \$1,911,533 and received \$1,768,731 in payment of claims. There were issued during the year in New Jersey 15,215 certificates for \$14,033,347, a gain of 1685 in number and \$1,618,556 in amount over 1904. At the close of the year policies or certificates numbering 97,952 for \$119,718,316 were held by New Jersey members, a decrease of 627 certificates for \$10,108,501.

THE WEST.

—The Imperial National Life Insurance Company has been organized in Seattle, Wash., with a capital of \$250,000.

—A new life company has been incorporated at Columbus, and it will be known as the Cleveland Life Insurance Company. The capital stock is \$125,000.

—The Ladies of the Maccabees of the World, Port Huron, one of the largest fraternal beneficiary societies for women, admitted 1326 new members during the month of August.

THE NEW ENGLAND FIELD.

—Martin C. Hillery, manager of the Mutual Life of New York in Connecticut, has recovered from his long illness, during which he could give little, and part of the time no attention to business. The home office has accepted his resignation, and he will recuperate more thoroughly.

—The Travelers held its annual convention last week at Hotel Frontenac, Thousand Islands. Delegates were chosen on a basis of business written, and most of the officers of the company were present. New York sent a large delegation. The five managers exceeding in the largest ratio their allotments of new paid premiums were: George Gossip, Denver, Col.; William Edward Fallon, Jr., Springfield, Mass.; F. M. Orton, Newark, N. J.; R. E. Jemison, Birmingham, Ala., and G. Allan Putnam, Manchester, N. H. Prizes were awarded to Mr. Gossip and Mr. Fallon, and also to J. Wilmot Howard of Pittsburg, and Joel Tuttle of Des Moines, managers who made the largest percentage of gain in gross premiums reported, and to E. S. Raymond of Detroit, Mich., and G. Allan Putnam of Manchester, N. H., managers sending the largest number of agents and brokers to the convention in proportion of new paid premiums.

THE SOUTH.

—The Pacific Mutual Life has appointed Bennet & Anderson of Louisville, general agents for all lines in Kentucky.

—T. T. Hay of Raleigh, N. C., having resigned the managership of the Phoenix Mutual Life for the Carolinas, Louis Sherfess of Charleston, a well-known Southern life man, has been given charge of South Carolina, and Moseley F. Sherfess of Raleigh will have charge of North Carolina.

—The Insurance Commissioner of Virginia has denied a license to the National Mutual Relief Association of Troy, Pa., on the ground that it cannot fulfill its promises, and he has also served notice on the National Protective Legion of Waverly, N. Y., that it must cease operations in Virginia.

MISCELLANEOUS LIFE NEWS.

Life Insurance Developments of the Week.

In accordance with the new insurance laws of New York, which require him to designate the titles of the tickets to be voted for trustees of mutual life companies this fall, Superintendent Kelsey of the New York Insurance Department has designated the name "United Committee Ticket for the Opposition of the Administration in the Case of the Mutual Life Insurance Company," and, in the case of the New York Life, the opposition ticket has been designated the "International Committee Ticket."

Last Wednesday it was announced that the executive committee of the international policyholders committee had appointed Andrew Gray, son of Judge George Gray of Maryland, acting secretary of the committee. Representative Nicholas Longworth will continue to serve as secretary, but his increasing political duties make it impossible for him to devote much time to the committee.

Twenty-eight Mutual Life policyholders, representing about \$5,000,000 of insurance, met at the Waldorf-Astoria last Wednesday in response to the call of James C. Colgate and organized a committee to support the present administration of the Mutual Life. The new committee has been organized chiefly to oppose the international policyholders' committee. It will open headquarters soon and will begin an active campaign. These are the men who attended the meeting:

James C. Colgate of New York; Henry Siegel, the drygoods merchant; Henry T. Oxnard, president of the American Beet Sugar Company, New York; Dr. E. R. L. Gould, president of the Thirty-fourth Street Bank;

William Gow of the advertising firm of Ward & Gow, New York; Charles Bulkley Hubbell, a lawyer, New York; Edward Holbrook, president of the Gorham Company, New York; William A. Gayle, a cotton merchant of Montgomery, Ala.; Tilgham H. Bunch, a grain merchant of Little Rock, Ark.; Dr. Narcisse Perodeau, professor in Laval University and Legislative Councillor of the Province of Quebec, Montreal; the Rev. Dr. C. C. Tiffany of Sharon, Conn., a retired Episcopal Archdeacon of New York; John L. Weaver, real estate dealer of Washington, D. C.; John K. Ottley, vice-president of the Fourth National Bank, Atlanta, Ga.; John T. Beasley, president of the United States Trust Company and vice-president of the Terre Haute Savings Bank; George Blakistone, president of the Union Trust Company, Baltimore; Dr. Edgar O. Crossman, collector of internal revenue, Lisbon, N. H.; the Rev. Dr. Thomas O'Hanlon, retired president of the Pennington Seminary, Long Branch, N. J.; William T. Mayer, secretary and treasurer of the Albany Chemical Company; Douglas Robinson, real estate broker of this city; Dr. William O. Thompson, president of the Ohio State University and of the Midland Mutual Life Insurance Company, Columbus, Ohio; John B. Roach, president of the Roach Shipbuilding Company, Chester, Pa.; William F. Harrity, former Secretary of State of Pennsylvania and chairman of the Democratic national committee in the Cleveland campaign of 1892, Philadelphia; William D. Kelly, president of the Clearfield Bituminous Coal Corporation, Philadelphia; Col. Samuel M. Nicholson, president of the Nicholson File Works, Providence, R. I.; Edwin W. Robertson, president of the National Loan and Exchange Bank, Columbia, S. C.; Col. Joseph E. Washington, planter of Cedar Hill, Tenn.; James N. Boyd, president of the Planters National Bank and tobacco manufacturer, Richmond, Va.; George E. House, merchant and manufacturer of Wheeling, W. Va.

The committee will be known as the Policyholders Protective Association of the Mutual Life Insurance Company. These officers were elected: President, James C. Colgate, chairman of the executive committee; William F. Harrity, treasurer; Charles Buckley Hubbell. Henry Siegel acted as secretary of the meeting. A committee on resolutions, made up of Mr. Harrity, Mr. Thompson and Mr. Bunch, submitted a report which set forth that the International Policyholders Association was composed largely of persons who are not policyholders in the Mutual, has appealed to the policyholders of that company for support to obtain control of the company; that the international committee has made false and unfounded accusations against certain of the present trustees and officers of the company and has unjustifiably represented that the present board of trustees and the candidates nominated by them are committed to the continuance of abuses found to exist under former officers of the company. Because of these things the newly organized committee passed resolutions endorsing the present executive officers and the administration ticket.

On Tuesday the opposition tickets were filed at Albany by the international policyholders committee. The one for the Mutual Life is called the united ticket and bears the following names: James N. Adam, Buffalo, N. Y.; Charles Andrews, Syracuse; Samuel S. McClure, Ardsley-on-Hudson; Carrol S. Page, Hyde Park, Vt.; Edwin A. McAlpin, Ossining, N. Y.; Charles A. Smith, Minneapolis; Henry P. Scott, Wilmington, Del.; William B. Lamar, Tallahassee, Fla.; Allen Caperton Braxton, Richmond, Va.; Edward P. Bailey, Chicago; George P. Hilton, Albany; Frederick A. Brainerd, Mount Vernon; Stewart Shillito, Cincinnati; Alfred Schiffer, New York city; William L. Peel, Atlanta, Ga.; William McCarrroll, Brooklyn; Elias A. De Lima, New York city; Lyman C. Smith, Syracuse; Herman Sielcken, New York city; Frank Tilford, New York city; Robert L. Fryer, Buffalo; William L. Guilladeu, New York city; William H. Gratwick, Buffalo; Cyrus L. Sulzberger, New York city; Joseph J. Darlington, Washington, D. C.; Charles A. Hopkins, Boston; Cassius C. Shirley, Indianapolis; James D. Phelan, San Francisco; T. Reid Fell, New York city; Horace Bunch McDaniel, Springfield, Mo.; J. Hampden Robb, New York city; Justus C. Strawbridge, Philadelphia; Herman Ridder, New York city; George A. Amyot, Quebec, Canada; Rowland Winn, Lord St. Oswald, Nostell Priory, Wakefield, Yorkshire, England; Pierre Baudin, Paris, France.

Proxy Committee—Benjamin F. Tracy, New York; Bernard N. Baker, Baltimore; A. M. Shook, Nashville, Tenn.

This is the international committee's ticket for the New York Life: Frederic R. Coudert, New York city; William F. Draper, Hopedale, Mass.; John W. Dunn, New York city; Frederick B. Lynch, St. Paul; Isidor Newman, New Orleans; Francis H. Leggett, New York city; Adolph Lewisohn, New York city; Hugh Kelly, New York city; John D. Dittenbaugh, Monmouth, Ill.; Minor C. Keith, New York city; De Witt Clinton Flanagan, New York city; John T. Christie, Troy, N. Y.; George H. Robinson, New York city; George W. Guthrie, Pittsburg; Stephen N. Farrelly, New York city; Horace White, New York city; Edward B. Stahlman, Nashville, Tenn.; Edward B. Smith, Philadelphia; James H. Nichols, Hartford Conn.; John Dunn, Jr., Syracuse; William C. Van Arsdell, Indianapolis; Frederick J. R. Clarke, Kingston, N. Y.; J. S. Harwood-Banner, Liverpool, England; Leopold Mabilieu, Paris, France.

Proxy Committee—Richard Olney, Boston; Charles Emory Smith, Philadelphia; Harlow N. Higinbotham, Chicago.

Albert S. Bard, an attorney, also filed a ticket, called Selected Fusion Ticket, for trustees of the Mutual Life. It is headed by Charles E.

Hughes, counsel for the Armstrong committee, and contains the names of fifteen members of the international committee's ticket. The names of 200 policyholders of the Mutual are attached to the petition as sponsors. Following is the ticket: Charles E. Hughes, New York; Hugo Baring, New York; Charles S. Brown, New York; Cyrus Curtis, Philadelphia; H. Rieman Duval, New York; William H. Lambert, Philadelphia; Sir Hiram S. Maxim, London; Emory McClintock, New York; George P. Miller, Milwaukee; Thomas M. Mulry, New York; Charles A. Peabody, New York; Emile O. Phillippi, Paris; Henry Phipps, New York; George C. Rand, New York; Leroy Springs, Lancaster, S. C.; Louis Stern, New York; George T. Dexter, New York; Henry E. Duncan, New York; James N. Adam, Buffalo; Edward P. Bailey, Chicago; Elias A. De Lima, New York; T. Reid Pell, New York; William L. Guillaudeu, New York; Biscoe Hindman, Louisville; Charles A. Hopkins, Boston; Samuel S. McClure, New York; Horace B. McDaniel, Springfield, Mo.; Frederick O. Paige, Detroit; William L. Peel, Atlanta, Ga.; James D. Phelan, San Francisco; Herman Ridder, New York; Stewart Shillito, Cincinnati; Lyman C. Smith, Syracuse; Cyrus L. Sulzberger, New York; Frank Tilford, New York; John Wanamaker, Philadelphia.

Alton B. Parker, chairman of the executive committee of the international policyholders committee had some sharp things to say to Bishop Charles C. McCabe of the Methodist Episcopal Church, who has left the committee and now stands by the administration ticket. After expressing regret that the Bishop embarked "in the public service for which the committee was organized," and then was unable to attend any of the committee's meetings or even discuss the matters which were before it with any of the other members, then calls attention to the fact that among the trustees presented for re-election are four members of the Fowler investigating committee which submitted a report that "attempted to exonerate George W. Perkins from the adverse findings of the Armstrong committee." Judge Parker sets forth that members of the New York Life finance committee, under whose administration the scandals exposed by the Armstrong report occurred, are up for re-election, although no suits have been instituted for restitution except against Andrew Hamilton.

—The report of the committee on statistics of the National Fraternal Congress shows that out of a total membership of nearly 4,000,000 the net increase for the year 1905 was but 58,344, the smallest in the history of the Congress. The deaths were 8.79 per 1000, as compared with 8.85 for 1904. The lapses were 123 per 1000, and the expenses were \$1.91 per capita, \$1.33 per \$1000 protection in force. The total number of deaths reported was 34,369, where 34,909 were expected, according to the N. F. C. Table.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

George W. Clegg of the Williamsburgh City Fire died recently, at his residence in Brooklyn, after a protracted illness. Mr. Clegg had been connected with the company since 1874.

The New York Board's regular session was held yesterday. The business appointed to be brought before the session came through the regular committees, but was not extra important. There is a rumbling heard on the outside relative to the proposed changes in the administration, but the report was that the committee was not yet ready to make the required recommendations. The previous talk about the illegality of setting aside the by-laws in summary fashion has not subsided; and if brought to a test, it is likely to lead to an interesting debate.

M. A. Newell, president of the California Insurance Company, is in this city and has called upon a few of his old friends. He came here solely to meet his family, on their return from Europe, and not to talk business, but he informed one of his friends that the company had paid all its San Francisco losses on the dollar for dollar basis, without quibbling on non-liability clauses or disputes of any kind, excepting \$100,000. The last assessment will be due this week, and all but \$50,000 has already been paid. When the stockholders met and agreed to levy four assessments to meet all claims in full, the proposition was received with cheers and applause, and carried

without a dissenting voice. This is an honorable record for one of the youngest companies in the field.

The employees of the Board and the Exchange have invented a new name for the select committee having in charge the readjustment of the office spaces for the committees and clerks. The favorite method of the select committee is to allot a certain number of square feet for each department; hence the employees now call it the "square feet committee," and are disrespectful enough to their employers to laugh at their own joke. Out of a very simple matter has evolved a morass of crude suggestions which, if carried out, will cause considerable embarrassment. The members of this committee contend that they have a duty to perform, with all regard to the views or opinions of the subordinates. The opposition of the fire patrol committee, however, to the suggestion of the transfer of the patrol offices to Murray street is another matter.

The business of sending out circulars from this city to mercantile and manufacturing firms in the interior is often productive of mischief. It is chiefly caused by offers of rebates from the companies, and is always at the expense of local agents. Attention has lately been called to a trick of this kind, by which a risk in a Western city was placed in an agency in the same place on a basis of ten per cent less than the tariff. Three policies in tariff companies were delivered in due course, written at the full rate, but billed less ten per cent. This was a "correspondence" transaction and was carried out through a firm of brokers for many years notorious in connection with exploded companies, and lately as the head and foot of an inter-insurers scheme, whose headquarters is in Washington for New York risks and in New York for the rest of the world.

M. O. Brown, secretary of the Westchester, has returned from his second journey to San Francisco, and informs us that his company's losses are nearly all paid save a few which are being adjusted through the general committee.

An official, who is pretty well posted in such matters, says all the iniquities attributed to companies dealing with unlicensed brokers may be traced to their branch offices. He has an opinion that it is about time for another exhaustive investigation of the branch office system, with special reference to their dealings with brokers who do not hold Exchange certificates. He relates a case where a policyholder received a cancellation notice from a company and called upon the manager in great rage, with a receipt from an unlicensed broker for the premium. It was a branch office transaction and the final result was that the branch manager reinstated the policy and paid the premium to avoid an exposé.

Orders for surplus lines are pouring in upon this market in large volume for lines on Western stock yard plants, and the noticeable feature of it is the number of cases where the orders are on warehouses equipped with automatic sprinklers.

J. W. Condit, who died last week at his home, 201 West Fifty-seventh street, of typhoid fever, was a director of the Colonial Assurance and the Empire City Fire.

General Manager E. Roger Owen of the Commercial Union and the Palatine of London is in town.

CHICAGO AND THE WEST.

The Fire Underwriters Association of the Northwest, the largest underwriting organization in America, has issued the programme for its thirty-seventh annual meeting, to be held at the Auditorium in Chicago, October 3 and 4. Naturally, the chief topic of consideration will be the San Francisco conflagration, but a number of other interesting features will make the convention a notable one.

A proposal has been made to the San Francisco claimants of the Traders Fire Insurance Company by attorneys for the State Bank of Chicago, receiver for the company, that the claimants shall appoint their own receiver to take charge of the assets of the company, choose their own adjusters to negotiate with the policyholders, and assume the general management of the affairs of the corporation as its chief creditors. A committee has been delegated by the directors of the Traders Policyholders Company to consider the offer. It has been

stipulated that policyholders representing \$2,000,000 in face value, about half the amount involved, shall be represented by the policyholders company before it is permitted to take advantage of the offer.

A final answer from policyholders in the Calumet Fire on the proposition of the company to turn over a fund of \$500,000 contributed by stockholders in settlement of all claims, is being sought by W. Irving Osborne, president of the company, and Fred S. James, chairman of the board of directors, both of whom are now in San Francisco. Inasmuch as the Calumet at the time of the disaster was a new company and as liberal discounts have been allowed old companies in the past, it is believed the offer will be accepted.

Another conference has been held by leading local agents of Chicago to discuss the movement for a reduction of expenses in the large cities. The need for a reduction was generally admitted, and the agents expressed their willingness to co-operate with the companies on any reasonable basis, while insisting that the plan under consideration is out of the question. Their contention is that the Chicago business cannot be done on a brokerage of less than 15 per cent—the proposition being 7½ on ordinary business. They seek an over-riding commission of at least 10 per cent and demand limitations placed on companies operating salaried officers.

The sessions of the Fire Insurance Club of Chicago will be resumed after the summer vacation with a banquet this week. I. J. Lewis, who has visited San Francisco several times to adjust the losses of the Michigan Fire and Marine, is on the programme for a "Little Talk on San Francisco."

BOSTON AND VICINITY.

The Boston Board of Fire Underwriters has adopted the following:

All specifically rated risks and all risks having minimum rates applying to them, situated in the district defined as Boston proper by the "Brokerage Agency Rules," except dwellings and apartment houses with or without stores, and the household furniture contained in these, private stables appurtenant to dwellings, and the contents of these, must be written at an increase of fifteen per cent upon the rates published. * * * Provided, however, that this increase does not apply to those parts of private rates that are classed as defect charges, nor does it apply to floating policies, builders' and mechanics' risks, nor to those rates for special purposes which constitute an additional charge to the regular rate for insuring property. Reductions for improvements in specifically rated risks may be allowed on all policies written prior to July 1, 1906.

The first of the regular weekly meetings of the New England Insurance Exchange for the season will be held on the 22d inst.

The Shawnee Fire of Topeka, Kan., has been admitted to Massachusetts. R. S. Hoffman & Co. are the agents for the metropolitan district of Boston.

Muller & Porter have been appointed agents of the Fidelity Fire of New York for the metropolitan district of Boston.

NOTES FROM PHILADELPHIA.

A meeting of the stockholders of the General Trust Company, the holding corporation of the Union Insurance Company, the Insurance Company of the State of Pennsylvania and the United American Life Insurance Company, will be held on Saturday of next week to vote on the proposed reduction of the capital stock of the company from \$1,500,000 to \$750,000, and to take such other steps in connection therewith as may be deemed advisable.

James S. Young & Co. have been appointed sole agents for Philadelphia and vicinity of the Keystone Underwriters of Pittsburg, Pa.

At a special meeting of the stockholders of the Fire Association of this city, held last week, authority was given for an increase of the capital stock of the company from \$500,000 to \$750,000. This will be done by issuing 5000 shares of new stock, which stockholders are asked to subscribe to at \$300 a share. Of the \$1,500,000 derived from the sale of the new stock, \$250,000 will be used to provide the increase in the capital, and the remaining \$1,250,000 will go to surplus account.

On Thursday last stock of the Delaware Insurance Company advanced 2 points to \$23. The syndicate which underwrote the recent

issue of new stock has paid for the shares not taken by the stockholders.

At a meeting of the stockholders of the Franklin Fire, last week, it was decided to issue 6000 new shares of stock at \$200. Three new directors were also provided for. Of the \$1,200,000 realized by the sale of the new stock, \$600,000 will be added to the capital and \$600,000 to the surplus.

A quarterly dividend of \$5 per share has been declared by the Girard Fire and Marine. Ten shares of stock of the company sold at auction last week at \$325 per share.

It is reported that the North British and Mercantile of London has discontinued writing unprotected property in this territory, and that the Mercantile Fire and Marine of Boston has joined the increasing number of companies which have tabooed business in the congested section of the city.

James W. Shaw, counterman of the James B. Carr & Sons agency, died last week while undergoing an operation.

Prominent underwriters here speak of Director Potter's proposition to have another test of the city's fire engines with a view to discrediting the recent report of the committee on fire protection of the National Board, as a needless expense to the city, stating that he knew before the report was issued that the engines were in a poor condition and mostly of a discredited type, and that it was at his suggestion a retest was made, which showed little if any improvement.

In a paragraph in THE SPECTATOR of last week, a typographical error made it appear that the net surplus of the Union Insurance Company of Philadelphia, as of June 30, 1906, was but \$14,527, whereas it should have been shown as \$144,527. We much regret the occurrence of the error in connection with the reliable old Union, and trust that readers will note that the company, despite its San Francisco losses by reinsurance, is able to show assets amounting to \$780,326 (an increase since January 1 of more than \$60,000), a net surplus of \$144,527, and a surplus as to policyholders of \$344,527.

THE MIDDLE STATES.

—The Firemans Fund has been admitted to New Jersey.

—The Rochester Board of Fire Underwriters has re-elected its last year's officers.

—Sales of stocks of both the Delaware and the Insurance Company of North America were made on Saturday last at Philadelphia, at \$23 per share.

—W. Garrison, at present with the American of Newark at its head office, has been appointed a staff adjuster of the general adjustment bureau. He will assume his new duties on October 1, with headquarters at New York city.

—Alleging negligence on the part of the Erie Railway, the Hartford Fire is suing the former for \$36,561 in the United States Circuit Court, in session at Lima, N. Y., for the burning of buildings in that village on August 10, 1904.

THE WEST.

Ohio Notations.

[FROM OUR OWN CORRESPONDENT.]

From what can be learned by talking with several prominent agents of Cleveland, there is much dissatisfaction over the advance that is being made in rates. At first it was understood that a fair advance would be made on stocks, and that buildings would remain about as they were, but the advance really ranges from 25 to 300 per cent on stocks and buildings have been advanced heavily also. It is considered that such an advance will endanger the general business interests of the city and that there will be a hard kick against it. This would seem the more likely, as it has been learned that some cities are not suffering at all, a fact that will be looked upon as a distinct trade advantage, especially when it is considered that the rates of those cities were far below Cleveland in the first place. Agents believe that one of two things will occur as a result of the advance: Either that all the large mercantile and manufacturing concerns will equip their plants and secure a rate of 15 or 20 cents, thus cutting agents out of a big part of their commissions; or, that companies that did not believe in the advance and those that were not touched by the San Francisco disaster, with agents who are dissatisfied, will make rates to suit themselves and warfare will be declared. Agents would not have objected to an advance with a maximum of 25 per cent, but they believe that the present figures are out of reason.

More than that, they are worrying with the advance, while the work has not been begun in many other cities. They don't understand the delay in other places.

James B. Swing, as trustee for the creditors and policyholders of the Union Mutual Fire, now dissolved, has filed suit against the American Glucose Company for \$1257, alleged to be due on assessments, under decision rendered by the Ohio Supreme Court.

O. M. C.

Cleveland, September 17.

—Edwin Fulton, Missouri State agent of the New York Underwriters Agency, has resigned.

—Mayor Beardsley of Kansas City is considering a plan whereby the city will carry its own insurance.

—Robert A. Magill of the Ohio German Fire has been appointed special agent of the Star Fire in the West.

—William Quaid has been appointed special agent of the Delaware of Dover for Ohio, Michigan, Missouri and Wisconsin.

—J. D. Sheahan of Chicago is now representing the Shawnee Fire of Topeka in Illinois, Michigan, Minnesota and Wisconsin.

—The report that the J. H. Bastert & Co. agency at Quincy, Ill., had been unionized appears to be entirely without foundation in fact.

—Charles Brock Jones of Chicago, a fire insurance broker, has sued Detective C. R. Wooldridge of the Chicago police department for \$25,000 damages.

—The Western Reserve of Cleveland has entered Michigan. Parker Brothers Company and the Chandler Insurance Agency become its agents at Detroit.

—The local board at Wausau, Wis., which has been disorganized for some time, has reorganized, with James Chartier as president and Joseph Ripczinski as secretary.

—J. E. Hendry of Chicago, Western manager of the Guardian Fire of Pittsburgh and the Southern of New Orleans, has withdrawn his application for membership in the Western Union.

—The Michigan Association of Local Fire Insurance Agents has elected George E. Newall president; C. E. Russell, George W. Ames, B. P. Barnes, G. L. Weadock, vice-presidents, and W. A. Eldredge, secretary and treasurer.

—It is anticipated that one of the results of the general cutting down of lines by companies will be the resuscitation of many of the Lloyds associations at Chicago, which went out of business a few years ago, owing to the adverse action of the Illinois Department.

—The Home Fire Insurance Company of McAlester, I. T., has just commenced writing local business. It will operate only in Oklahoma for the present, but expects to enter Arkansas in the near future. The company's capital stock is \$200,000, of which \$100,000 is stated to have been subscribed. The officers of the Home Fire are: President, James F. George; vice-president, S. R. George; first vice-president, Dr. L. R. McCarty; secretary-treasurer, A. L. George.

—About October 1 the Mercantile Insurance Agency of St. Louis, Mo., which has heretofore occupied offices 309-310 in the Frisco building, will remove to suite 629-632 in the same building. Its new quarters are being fitted up in the most modern and convenient style, and are expected to accommodate the agency's rapidly increasing business for some time to come. The officers of the Mercantile Insurance Agency are: President, R. E. Perry; vice-president and general manager, C. P. Whitbread; secretary and treasurer, R. W. Inman.

THE SOUTH.

—The Southern Stock Fire and the Southern Underwriters of Greensboro, N. C., have entered Mississippi.

—The Shawnee Fire has entered Kentucky and has appointed Arthur G. Laugham as its general agent for that State.

—The Virginia Field Club has elected E. W. Butcher president; O. H. King, first vice-president; R. S. Busbee, second vice-president, and W. R. Robins, secretary.

—The West Virginia Underwriters Association held a meeting recently at Clarksburg and reconsidered the circular letter of July 31 regarding the flat increase in rates in that State. The matter of increase was deferred until January 1, and the State is to be rerated as rapidly as possible under the analytical schedule.

MISCELLANEOUS FIRE NEWS.

Fire Insurance by States

VALUABLE ANNUAL PUBLICATION BEING ISSUED BY THE SPECTATOR COMPANY.

The tenth annual edition of The Distribution by States of Fire Insurance in the United States is being issued by The Spectator Company. The new volume will be found very convenient for underwriters, covering as it does an abstract of the fire and marine insurance business in the United States and Canada during 1905. The work presents a complete record of the premiums received, losses incurred and the amount at risk

in each State and Territory, together with the ratio of losses incurred to premiums received. There is also given a comparison with the previous years which greatly enhances the value of the book as a guide to underwriting conditions of the individual companies. The whole work occupies about eighty pages, and is bound substantially in leather. The new publication will undoubtedly prove a handy reference book for underwriters, as previous issues have in the past, and those who are interested in following the progress of the fire insurance business will find this volume well worth the moderate sum asked.—The Journal of Commerce and Commercial Bulletin, New York.

—The Policyholders League of San Francisco has practically disbanded.

—The Buffalo German has notified C. J. Stovel, its Pacific Coast general agent, of its intention to withdraw.

—Up to date not more than 150 suits have been filed at San Francisco against companies for payment of losses.

—The National Fire Protection Association will hold its annual meeting in New York on May 22-24 of next year.

—The North German Fire of New York made an offer recently of thirty cents on the dollar to its San Francisco policyholders, which was rejected.

—The adjusters' bureau at San Francisco has disposed of over 1000 of the 1350 claims before the committee, with a sound value of \$15,000,000, insurance \$74,000,000 and salvage of \$7,000,000.

—A conservative estimate places \$120,000,000 as the amount thus far paid out to policyholders at San Francisco. The London Assurance is reported as leading with payments of over five million and a half.

—It is reported that the San Francisco claimants of the American of Boston have investigated the status of the company, and have verified its claim that it is unable to pay more than the percentage it offered.

—According to press despatches from San Francisco, the Hibernia Savings Bank, which attacked the integrity of the London and Lancashire Fire, has troubles of its own to attend to, there having been a run on the bank recently.

—It is reported that a San Francisco policyholder of the Eagle Fire Company recently had an interview with H. C. Quinby, the Eagle's San Francisco representative, during the course of which the policyholder is stated to have brutally assaulted Mr. Quinby.

—The suit of the Levi Strauss Realty Company at Oakland, Cal., against the Transatlantic Fire Insurance Company has resulted in favor of the plaintiff. Judge Whitson, sitting in the United States Circuit Court, ordered the jury to return a verdict against the defendant company for \$10,000, the amount sued for, with \$58 interest. The court held that the defendant had not in any way disproved responsibility for payment of policies. United States Marshal Elliot has 126 orders of attachment against the Transatlantic, but has found no property upon which to levy.

—A striking instance of a high sense of corporate honor is the course which has been followed by the California Insurance Company of San Francisco since the earthquake and conflagration in its home city. Just prior to the catastrophe the California had \$456,000 of assets, including a surplus as to policyholders of \$390,000. Up to September 5 the company had paid 520 conflagration claims amounting to \$1,210,000—all without discount or compromise. In addition to the contributions thus far made by the stockholders, an amount sufficient to bring the company's surplus up to \$400,000 will be paid in, and the company will shortly enter several Eastern States to write a general business in the larger cities. A company with so magnificent a record may be sure of a hearty welcome in its new territory. M. A. Newell is president of the California Insurance Company, and George W. Brooks is its secretary.

Casualty, Surety and Miscellaneous

Hearing an Anti-Trust Suit.

A hearing was held last week in this city before Deputy Attorney General Louis O. O'Brien in connection with the suit brought on behalf of F. P. Davison seeking to induce the Attorney-General to take action against several surety companies and revoke their charters on the ground that they are violating the anti-trust laws of this State through an agreement in relation to excise bonds.

Application was made by the National Surety Company to be allowed to intervene and become a party as codefendant in this section against the other companies because the agreement in relation to excise bond business, upon which the original petition was based, had been substituted by a subsequent agreement to which the National was also a party. Counsel for Mr. Davison asked Vice-President William J. Griffin of the National Surety for a copy of the agreement, but the latter stated that it would not be filed except at the request of the Attorney-General. Vice-President Griffin, in his letter to the Attorney-General, said in part:

While the National Surety Company did not sign the agreement (copy

of which is attached to Mr. Davison's affidavit), it did sign a certain agreement with the other companies above named, for the reinsurance of excise risks to a limited amount, and in order that any action Mr. Davison or any one else may see fit to take against the National Surety Company because of its joining with the companies named in such an agreement be taken and disposed of in the pending proceeding, the information herein is placed before you at this time so that you may apprise Mr. Davison's counsel in the matter, and of the National Surety Company's request thereby made for leave to intervene in the proceeding taken against the other companies and to have you pass upon the conduct of the company in joining in the agreement, as stated, to the end that if it be decided that such joinder and reinsurance is in any way questionable, steps may be forthwith taken by the National Surety Company to withdraw from such agreement and to take such other course as may be proper in the premises.

Casualty Notes.

—The Burglary Underwriters Association of New York is preparing a new tariff manual.

—The Southern Live Stock Insurance Company of Georgia has ceased doing business, owing to heavy lapses and losses.

—Lauris J. Page, secretary and treasurer of the Commercial Travelers Eastern Accident Association of Boston, died very suddenly on September 12. He was forty-six years old and was held in very high esteem.

—An examination of the affairs of the General Accident Insurance Company of Philadelphia, made by the Pennsylvania Department, shows premium income for the first eight months of 1906 of \$251,094; total income, \$259,289; disbursements, \$193,587; assets, August 31, including \$8674 not admitted items, \$401,874; surplus to policyholders, \$252,805.

—The reorganization of the Minnesota Mutual Casualty Company has been completed and Carl Wirth of St. Paul elected president. The alleged deficiency in reserve has been made up and other legal requirements complied with so that the Attorney-General has consented to the filing of an order by Judge Orr, dismissing the proceedings instituted by Insurance Commissioner O'Brien, and therefore no receiver will be appointed.

—It is the general opinion in Philadelphia that local insurance companies will not lose much through the failure of the Real Estate Trust Company, which was looted of about \$7,000,000. Geo. H. Earle, Jr., was appointed receiver, and his bond was fixed at \$1,000,000, of which \$500,000 was furnished by the American Surety, and \$250,000 each by the Fidelity and Deposit and the United States Fidelity and Guaranty. The American also entered the \$10,000 security required from John Converse as the complainant in the proceedings.

—Real Estate Trust Company scandal in Philadelphia has developed the fact that Richard F. Loper, a close friend of the late Frank K. Hipple, had succeeded in inducing the trust company to guarantee bond issues on properties in which Loper is interested to the amount of \$2,800,000. These are divided as follows: Pittsburg and Allegheny Valley Railroad, \$1,500,000; Meyersdale and Salisbury Street Railway Company, \$1,000,000; Brandywine Brick Company, \$200,000; Vanderbilt Improvement Company, \$100,000. It will be remembered that Loper was formerly president of the Guarantors Liability Indemnity Company of Philadelphia, which collapsed several years ago and that his operations were prominently exposed by THE SPECTATOR at that time.

Surety Notes.

—The Metropolitan Surety has appointed Brown & Manu of Kansas City general agents for Missouri.

—The Illinois Surety will hold a meeting this month, and, among other things, the question of increasing the company's capital from \$250,000 to \$500,000 will be considered.

—The National Surety Company has appointed W. Herbert Stewart, who recently resigned as secretary of the Illinois Surety Company, assistant secretary, and he will enter upon his new duties on October 1.

—Assistant Prosecuting Attorney McCoy of Columbus, Ohio, has rendered an opinion that bonding companies may apply to the county commissioners for release from depository bonds, but that this will not release them from liability. He also thinks that the commissioners have no authority to give consent to their withdrawal, unless some contingency arises that will make them unsafe.

—The general agents and managers of the Metropolitan Surety met in convention at the Auditorium Annex in Chicago on September 14, and a number of papers on technical subjects were read by various members of the field force, with suggestions by the home office officials from their standpoint, and criticisms and questions by the agents present. This programme was followed the following day and the balance of the time was

given over to sightseeing and a banquet, with Judson L. Bruise of San Francisco as toastmaster.

—All the officers and responsible employees of the Real Estate Trust Company of Philadelphia, except the late Frank Hipple, are insured under a schedule fidelity bond of the United States Fidelity and Guaranty in amounts ranging from \$1000 to \$10,000. No claim will be made upon the company under its fidelity bond. The United States Fidelity and Guaranty also wrote a depository bond for \$200,000, which guarantees the account of the State of Pennsylvania with the trust company.

TOO LATE FOR CLASSIFICATION.

—Robert B. Armstrong, president of the Casualty Company of America, is suffering from an attack of typhoid fever.

—The Friendly Service Society of Minneapolis, after an examination by the Minnesota Department, has been given five days in which to make up a shortage in its reserve.

—The Metropolitan Accident Company of St. Paul has made up its deficit and deposited the necessary reserve to satisfy the Minnesota Department. New officers have been elected.

—The North Carolina Insurance Department has canceled the license of the Conservative Mutual Life of Charlotte, and Thomas Ruffin has been appointed receiver. He will close up the affairs of the company.

Amended Blanks for Annual Statements of Insurance Companies.

Henry D. Appleton, chairman of the committee on blanks of the National Convention of Insurance Commissioners has issued the following circular letter in connection with the changes proposed in the annual statement blanks for insurance companies. The revised blanks will be submitted to the convention at its next meeting at Washington, October 2-4.

At a meeting of the committee on blanks of the National Convention of Insurance Commissioners, held at the Manhattan Hotel, New York, on June 25-29, it was voted to recommend to the various Departments for their consideration the following proposed changes in the annual statement blanks.

FIRE BLANK.

Income.—Add a new item to be known as "interest on deposits." Change the item of gross rents in the present blank to read as follows: "Gross rents from company's property, including \$..... for company's occupancy of its own buildings." At the end of the line, "Profit on sale or maturity of ledger assets," add "(give items and amounts)," and leave several blank lines.

Disbursements.—After the word "officers," in the line calling for salaries, fees, etc., add the words "directors," "trustees." Change the item of rents to read, "rents, including \$..... for company's occupancy of its own buildings." Add at the end of the item "loss on sale or maturity of ledger assets" "(give items and amounts)," and leave several blank lines.

Ledger Assets.—Strike out the words "not matured" in item 8, viz.: "Bills receivable not matured taken for marine and inland risks."

Non-Ledger Assets.—Strike out the words "and stocks," so that line 13 will read "Interest due \$..... and accrued \$..... on bonds."

Assets Not Admitted.—Change the line "bills receivable," etc., to read "bills receivable past due, taken for marine, inland and fire risks."

Schedules.—Add a new schedule after the special deposit schedule to read as follows: "Schedules of all other deposits; showing all deposits made with any government, Province, State, district, county, municipality, corporation, firm or individual, except the regular deposits in banks and trust companies subject to check, and those stated in 'special deposit schedule,' showing the following headings: 'Where Deposited,' 'Description of Deposit,' 'Par Value.'"

Schedule C.—Under the words, "Description of collateral" add "(Give in this column the number of shares of each block of stock and the year of maturity and rate of interest on each bond held as collateral.)"

Schedule D.—Add a new column at the right of the schedule to read as follows: "Interest Due and Accrued."

It will readily be seen upon examination of the above proposed changes that they involve no radical departure from the present form, and require no changes in the companies' methods of bookkeeping or their present system of accounts, or the manner in which the statement is executed. The proposed change in the item of rents in income and disbursements is simply for the purpose of obviating a misinterpretation of the question in its present form, as some companies now understand they are required to report under disbursements, as an inside item, the amount which they are paying for their own occupancy of buildings which they do not own; while the inside item is simply intended to show the amount which the company has charged for its own occupancy of its own buildings.

The proposed modification of the salary item is for the purpose of getting all the salaries under the salary item, as contemplated by the blank. It is the present practice of many companies not to include in this list the salaries, fees or other compensation of the board of directors and committees, which, under the statutes of some States, are designated as officers of the company, and we think should in all cases be so construed, notwithstanding the practice of the companies.

The proposed change concerning item 8 of ledger assets is for the purpose of enabling the company to make its ledger assets in its statement agree with its ledgers, which it cannot now do if it follows the requirements of the blank and deducts from bills receivable taken on marine and inland risks those which are past due. The committee believes that the total amount of the bills receivable should be entered as a ledger asset, regardless of whether they are "past due," and that the amount which is past due should be deducted under "not admitted."

MISCELLANEOUS BLANK.

Income.—Add, after line 18, page 2, showing the net cash received for premiums, a new item to read as follows: "Policy fees required or represented by applications." Add after interest on bonds and dividends on stocks a new item to read: "Interest on deposits." Make the same change in the item of rents as in the fire blank.

Disbursements.—Add two new columns for items 1-13, the first to be known as (4) and to read "Investigation and adjustment of claims;" the other to be known as (5) and to read "total." Strike out items 14, 15, 16 and 17, and add after line

21, "Policy fees retained by agents." Make the same changes in the items of salaries and rents as proposed in the fire blank.

Liabilities.—Strike out the column "Estimated expenses incident to the settlement of unpaid claims," and add after line 30, "Advance premiums (100 per cent)."

General Interrogatories.—In line 20, add after the word "largest" the word "gross," so that item will read, "Give the largest gross amount," etc.

Business in the State of—Strike out the column "Great losses incurred."

Special Deposit Schedule.—Change the heading of said schedule to read: "Statement of all deposits or investments now held for the protection of all the policyholders of the company," and add after said special deposit schedule A "Schedule of all other deposits," as proposed for the fire blank.

Schedules C and D.—Same additions as proposed in the fire blank.

Schedules G and H.—Were revised by the committee, as shown in the new blank sent.

LIFE BLANK.

Amend to include the names of directors of the company.

Income.—Same changes as proposed for the fire blank.

Disbursements.—Same changes as proposed for the fire blank.

Non-Ledger Assets.—Same change as proposed for the fire blank.

Liabilities.—Add after the line "Premiums paid in advance," etc., "Interest and rents paid in advance." Substitute for the item "Dividends apportioned payable to policyholders subsequent to 190—," etc., the following: "Amounts set apart or provisionally ascertained or calculated or held, awaiting apportionment upon deferred dividend policies. (Give amounts separately for years and classes)." Add a new item to read as follows: "Reserve or surplus funds not included in 'net reserve' as herein reported or in the 'unassigned funds' per line 32 (Give items and amounts separately and state for what purpose each of said funds is held.)"

Schedules.—Add "schedule of all other deposits" as in fire blank.

Schedule A.—Divide into three parts, covering requirements of subdivision (1) of section 103 of New York law as shown in the new blank sent.

Schedules C and D.—Same additions as proposed for the fire blank.

It is also proposed to add the following new schedules: The schedules required by subdivisions 8, 9, 13, 14 and 15 of section 103 of the New York law. Schedules required by subdivisions 8 and 9 are contained in the blank sent. Those required by subdivisions 13, 14 and 15 will be forwarded as soon as received from the printer.

Gain and Loss Exhibit.—In view of the desire of a large number of the Commissioners, as expressed by a vote at the last convention, to have a gain and loss exhibit incorporated in the annual statement blank for life companies, the committee, after mature consideration, deemed it advisable to prepare and submit for the consideration of the convention, without recommendation, a gain and loss exhibit. Numerous forms have been submitted, and the committee now has several under consideration.

At the June meeting of the committee the exhibit used by the Wisconsin Department was selected by the committee as the most desirable presented. Since the meeting of the committee other forms have been submitted. They will have consideration by the committee at a meeting to be held in Washington prior to October 2, and the committee will report its conclusions to the convention.

FRATERNAL BLANK.

A sub-committee of the committee on blanks, consisting of Messrs. Host, Fletcher and Hadley, were instructed to prepare a fraternal blank, which blank is herewith submitted, and will be considered by the full committee at its meeting prior to the convention.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Astrea Insurance Company, Goteborg, Sweden.

This company, which reinsured a portion of the American risks of the Svea Fire and Life, has reduced its capital from 500,000 kronen to 250,000 kronen, and restored it to its original amount, because of its losses by the San Francisco conflagration. On January 1, 1905, its assets amounted to 1,962,061 kronen, and its dividend payments in 1902, 1903 and 1904 were, respectively, 12 per cent, 14 per cent and 15 per cent.

Fire Association of Philadelphia, Philadelphia.

The stockholders of this company have authorized an increase in the capital stock from \$500,000 to \$750,000 by the issue of 5000 new shares at \$300 each. Of the \$1,500,000 derived from the sale of new stock, \$250,000 will go to capital and the balance to augment the surplus.

Firemens Fund Insurance Corporation, San Francisco.

As of May 22, 1906, on which date the above company entered into a general contract of reinsurance with the Firemans Fund Insurance Company, its assets amounted to \$2,731,730; reinsurance reserve, \$2,481,730; paid up capital, \$250,000. Up to August 11 \$610,867 of the new capital had been paid in.

Firemans Fund Insurance Company, San Francisco.

This company is paying the first instalment (20 per cent) on its San Francisco conflagration losses. More than \$2,300,000 are being paid out by the company at the rate of about 150 claims a day. There are 4600 policyholders of the company, who represent more than 6000 claims. The Firemans Fund, Home Fire and Marine and the Pacific Underwriters owe \$11,500,000 on account of fire losses. The stockholders have agreed to put in \$2,000,000 by an assessment on stock. One-half of the losses are to be paid in stock, to be accepted at a valuation of 500 per cent.

Franklin Fire Insurance Company, Philadelphia.

The stockholders of this company have voted to increase the capital from \$400,000 to \$1,000,000. The number of directors will be increased from nine to twelve.

Hamburg Bremen Fire Insurance Company, Hamburg.

Semi-annual statement, July 1, 1906 (United States branch): Assets, \$2,063,413; reinsurance reserve, \$1,443,180; net surplus, \$516,942.

Pelican Assurance Company, New York.

The Phoenix of London has contributed an additional \$150,000 to the surplus of the Pelican, making in all \$350,000. The Pelican's estimated San Francisco losses are \$440,633 net.

Skandinavia Reinsurance Company, Copenhagen, Denmark.

Statement as of December 31, 1905, shows assets amounting to \$1,192,973 (including \$602,580 of stockholders' notes), and a capital of \$750,000.

Soleil Insurance Company, Paris, France.

Statement as of December 31, 1905, shows \$5,620,856 of assets, with a paid-up capital of \$1,200,000; unpaid dividends, \$440,000, and profit balance and extraordinary reserves of \$1,979,907.

South German Reinsurance Company, Munich, Bavaria.

This company's assets on December 31, 1905, amounted to \$4,100,765 (including \$937,500 of stockholders' notes); its capital was \$1,250,000, and its profit balance \$5497.

Union and Phenix Espanol Insurance Company, Madrid, Spain.

Including \$11,497,508 of future annual premiums, the assets of this company on December 31, 1905, aggregated \$17,645,694, embracing fire, life and accident branches. Its capital was \$2,400,000; statutory reserve, \$240,000; special reserve, \$175,262; profit reserve, \$80,000; pension fund, \$158,385; unpaid dividends, \$324,000; reserve against fire risks in force, \$344,816; unadjusted fire losses, \$75,561. There were also numerous other reserve funds, chiefly in the life and accident departments.

Western Union Fire Underwriters, Chicago.

This Lloyds began writing business January 21, 1903, with Samuel C. Wilson as attorney, for the following-named underwriters: E. B. Mallers, R. W. Fraser, George W. Wilson, T. W. Wardrop, Henry Heirsch, Earle G. Conger, B. McWilliams, W. Hatley, Walter Wyville and Samuel C. Wilson. Each subscriber was reported as having deposited \$250 in cash. During the 1904 crusade against unlicensed companies in Chicago this concern was stated to have ceased business, but it appears to have resumed operations, issuing policies signed "Samuel C. Wilson & Co., underwriters."

Wilhelma Insurance Company, Magdeburg, Germany.

Statement as of December 31, 1905, shows \$17,685,054 of assets, with a profit balance of \$589,961.

Colorado Department on Mutuals.

The Colorado Insurance Department has served notice on the public that mutual fire companies organized under the laws of that State cannot be reached in the matter of guaranteeing payment of claims. The Department is compelled under the laws to issue licenses to these companies upon the payment of certain fees, without being able to demand any showing of their financial condition. Specific authorization to revoke the license of a concern of this kind when it becomes insolvent is not given the Insurance Commissioner.

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No. 13.

EARTHQUAKE CLAUSES TO BE TESTED.

THREE extensive losers by the San Francisco earthquake and conflagration will, it is understood, soon unite in suing six fire insurance companies whose policies contained provisions exempting them from liability for losses occasioned directly or indirectly by earthquake, order of civil authority, etc. At least two different forms of earthquake clauses will be involved in these suits; one provides that

This company shall not be liable for loss caused directly or indirectly by invasion, earthquake, insurrection, riot, civil war or commotion, or military or usurped power, or by order of any civil authority. * * * * If a building or any part thereof fall, except as the result of fire, all insurance by this policy on such building or its contents shall immediately cease.

The other form of clause reads, in part, as follows:

This society shall not be liable for loss caused directly or indirectly by invasion, insurrection, riot, civil war or commotion, or military or usurped power, or by order of any civil authority; or for loss or damage occasioned by or through any volcano, earthquake or hurricane, or other eruption, convulsion or disturbance. * * * * If a building or any part thereof fall, except as the result of fire, all insurance by this policy on such building or its contents shall immediately cease.

If the insurance companies can prove that the insured properties fell prior to being damaged by fire, or that the earthquake caused the fires which destroyed or damaged such properties, or that the properties were destroyed by order of civil authorities, they would seem to have a clear and strong defense. If, on the other hand, the insured can demonstrate that the particular fires which caused the damage to their insured property were due to causes other than the earthquake, or actions ordered by civil authorities, the case becomes more involved, because the claim has been set up by at least one company (and may be by others) that the fire protection existing when the insurance was written was practically annihilated by the earthquake, which thus indirectly might be held to be responsible for a portion of the loss, which might not have occurred had the fire department and water supply been in normal condition. Indeed, it is maintained by some that the earthquake was responsible for all losses, that being the primary cause leading up to the conflagration; that if there had been no earthquake there would have been no conflagration, and consequently no insurance

losses. This position, however, has not been assumed by many of the companies. It will be interesting to observe how far the courts will go in recognizing the indirect effects of the earthquake in their bearing upon the liability of insurers.

THE POLICYHOLDERS' OPPORTUNITY.

THE statement has often been made that the policyholders in mutual life insurance companies had no voice in the selection of the men who were to manage their affairs. The International Policyholders Committee has emphasized this statement in its circulars and the numerous interviews it has given to the press, and, in fact, has conducted its campaign against the companies on the declaration that they proposed to give the policyholders an opportunity to select boards of directors that should ignore the present managements. A law passed at the recent session of the legislature provides the means for policyholders to express their choice for directors, and the International Committee has been working on the lines prescribed. After much circumlocution and rattling of stage thunder, the committee last week announced the names of the gentlemen it has selected for directors of the Mutual Life and the New York Life, and the nominations have been filed with the Superintendent of Insurance, as required by law. Another ticket has been placed in the field, called the "fusion" ticket, which contains some of the names that are on the other tickets. What is known as the "administration ticket" was nominated some time since, so that there are three tickets in the field for policyholders to consider. While the characters of the gentlemen named by the International Committee are, as a rule, unassailable, and they have been successful in the various lines of business with which they have been identified, the fact remains that none of them are familiar with the business of life insurance, with its multifold requirements of technical knowledge and special business requirements. A very serious feature regarding these nominees is that they are so widely scattered that it would be next to impossible to ever get a meeting of a full board in case of their election. Some are residents of foreign countries, while nearly every prominent city in this country has its representative on the ticket. It would be almost impossible to make up from this list enough available men to fill the various committees upon whom must devolve the detail work of handling the vast and important business of the companies. The "administration ticket," on the contrary, includes the names of men experienced in the business of life insurance, and who are available for committee work or any other duties that may be assigned to them. The question is now fairly before the policyholders to decide whether they desire to place the vast interests of the companies in which they are interested in the hands of unskilled and untried men who, in the nature of things, cannot give their time to the affairs of the companies, or to choose men of experience and high qualifications for the positions. From this time until the election in December next policyholders will be solicited for proxies in behalf of the several tickets, but experience shows that comparatively few take sufficient interest in the matter to record their votes. Ex-President Cleveland is on record as saying that when he solicited an expression of preference from policyholders of the Equitable

for directors of that company, very few took the trouble to respond, and such has been the experience of the companies in all previous elections. The conditions are changed now, and the vigorous canvassing going forward for proxies will doubtless result in a heavy vote being recorded by December 18, when the polls close.

MUNICIPAL insurance, that perennial source of illusion for escape from alleged high rates of fire insurance, is again engaging the attention of several city authorities. The latest advocates of this scheme are Kansas City, and Holyoke, Mass. A report of an investigating committee of the latter town, made to the Board of Aldermen at a recent meeting, stated that the only effective manner to fight the so-called insurance trust was through competition. While the committee was of opinion that State insurance might be preferable, the latter panacea could only be obtained by an amendment to the State Constitution, which would entail so many complications that the municipal plan was eventually deemed the more desirable. This report has been sent to every city and town in the Commonwealth of Massachusetts, together with a letter requesting the municipalities to send representatives to a meeting to discuss the question which will be held late in October. The standing argument among champions of the impracticable and visionary scheme of municipal insurance is to the effect that the fire insurance companies collect much more in premiums than they pay in losses, and that the expense of conducting the business is excessively high and could be materially reduced by municipal officials. That a public corporation pays more than a private institution for work of a similar nature has been repeatedly demonstrated, hence it has become an axiom that no government—city, State or National—should engage in any pursuit which can be conducted by private enterprise. Within the past few years this country has suffered a number of disastrous conflagrations, the least of which would undoubtedly have wrecked almost any conceivable system of municipal insurance. There is a saying about putting all one's eggs into the same basket. No prudent business man would think of insuring his plant in a municipal institution that by a single conflagration would almost inevitably become seriously embarrassed, if not absolutely insolvent.

THE methods and means for killing and maiming persons are constantly increasing, and consequently the number of accidents multiply. The automobile, the latest invention of the enemy, is responsible for many accidents, but the trolley cars, which are more universally used, take the lead in smashing people. Railroads have so improved their systems that accidents upon them are few compared to the number of persons who travel by them, so that it is said that a man runs more risk in crossing Broadway once than he does in making a dozen trips across the Continent. Modern buildings, with their modern appliances of varied character, help to swell the list of daily casualties, so that it is becoming difficult for anyone to find a safe place to move about in. The value of accident insurance is more highly appreciated than ever, and the companies furnishing per-

sonal accident insurance are doing an increased volume of business. They are also paying their losses promptly and with liberality. No prudent man, in these days, can afford to do without accident insurance. Everyone is surrounded with so many perils, most of which are unsuspected, that it becomes a duty for them to provide themselves with accident insurance to indemnify them for the expense and loss of time that may result from an accident. It has become as much a matter of necessity to be thus insured as is life or fire insurance. No wise and prudent man will be without it.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

A joint meeting of the Exchange and New York Board special committees on economies of administration was called for yesterday afternoon. The result will be known at the October sessions of both bodies.

The brokers in this city are very much perplexed by the recent developments in the attitude of companies toward their loss settlements in San Francisco. There is one company, with assets well up in the millions, which has plainly told its policyholders in that city that all it can pay is sixty cents on the dollar, and has written a letter to an organization of dissatisfied claimants offering to pay the expenses of a visit of a committee to its home office to verify this statement from the company's books. The claimants called for a sworn statement of assets and liabilities before accepting the offer, and this request has been refused. The brokers have this information direct, and are very much worried about the soundness of policies issued in New York, although Eastern losses since April have been paid without cavil.

The Query Sheet issued by the managers of the Exchange last week contained a request by the brokerage committee for information as to whether any of the members had done any business or paid any brokerage since October, 1904, to W. J. Perreira, a broker.

We learn that five trust companies, which loan large sums upon real estate mortgages, have prepared a common list of fire offices, which they agree among themselves shall be acceptable as collateral. All others are rejected, and there was quite a stir in real estate circles one week ago, when it was discovered that two Hartford companies, in excellent standing, were on the list for about one-fourth their normal amounts, and one large city company was not on the list at all.

Inquiries are out among the companies referring to lines supposed to have been written here at cut rates on the risks of the Moose River Lumber Company, McKeever, Herkimer county, N. Y., and B. B. Martin's warehouse, No. 519 North Charlotte street, Lancaster, Pa. The supposition is that local agents have lost these risks and are trying to trace them. If the New York trail is not productive of the desired information, why not try some nearby agencies?

There are complaints of a revival of the postal card offers of insurance at less than tariff rates being sent to propertyowners in this city. A broker bid for cut-rate business in a circular sent out by an American inter-insuring firm, proposing policies "in any or all of the companies in the accompanying list." This list embraces about thirty leading offices, and is in imitation of the Defrenois circular which the Home of New York denounced some months ago.

A friend of the survey department of the New York Board states that the "square feet committee" have proposed, as a measure of economy, that the inspectors divide their time for office work, so one-half will be in the office in the forenoon and the other half in the afternoon. The object is to save desk room, and incidentally working space. This suggestion seems a strange departure from the habit of

leaving such minor details to the standing committee having direct charge of the inspectors' work.

A judgment of \$25,000 has been obtained by the creditors of the defunct Fidelity Insurance Association of New York, a Lloyds concern. An attempt is being made to apportion the liability and to establish the individual responsibility of a number of prominent Brooklynites who were believed to be interested in the association. The defendants, however, in their answers to the complaint, refused to admit that their names were used in connection with the Fidelity.

The amalgamation of the firms of Albert Willcox & Co., C. E. & W. F. Peck and Walker & Hughes will be consummated in the near future. The new concern will be incorporated under the firm name of Willcox, Peck & Hughes, and it is expected that Charles E. Peck will be president.

The First Russian Assurance Company of St. Petersburg has taken preliminary steps to enter the United States for reinsurance.

CHICAGO AND THE WEST.

The Policyholders League has given the proposition, made by the Calumet of Chicago for the settlement of its San Francisco losses, its endorsement, and most of the heaviest claimants have already signed. The matter of reinsurance is now the principal cause of delay in reaching a settlement.

Claimants representing \$6,000,000 of the \$11,000,000 losses sustained by the company have signed the Firemans Fund plan providing for payment half in cash and half in stock. An extension has been announced in the time for securing signatures.

The hearing of arguments in the suit recently filed against the Traders Insurance Company and its stockholders, by Cullom Bros., agents in Alabama, has been set by Judge Baker of the United States Circuit Court of Appeals for October 1. San Francisco claimants of the company have been notified by the attorneys for the receiver that the receiver has disposed of most of the assets, and that the money is now drawing three per cent interest on deposit. As in the case of the Calumet the matter of reinsurance is a chief item in the settlement which remains to be disposed of. In order to learn what amount of reinsurance can be depended on definitely, adjustment of losses is obviously necessary.

In order to expedite the work of the ten members of the executive committee of the Chicago Board of Underwriters, it has been provided that after applications have been passed on by the officers of the board and before they are submitted to the committee, they shall be investigated by a membership committee composed of Charles Nelson Bishop, L. O. Koltz and L. M. Loeb. Heretofore the members of the committee have been required to spend a large part of their time every week in an investigation of the records of applicants for membership. Application has been made for membership in the board, as brokers, by a large number of women; and while these were personally eligible, investigation has showed that their husbands were not, in all cases, because of the nature of their businesses. The rule of the board has been that the ineligibility of a husband to membership is a bar to membership on the part of the wife, notwithstanding her personal eligibility.

BOSTON AND VICINITY.

The Dutchess Fire of Poughkeepsie has been admitted to Massachusetts. Rice & Whitney are the Boston agents.

Relative to the recent advance in rates at Holyoke, Mass., Mayor N. P. Avery of that city says:

The Insurance Commissioner of the State should be given power to revise rates when it is shown that existing rates are exorbitant. The people in any locality who believe their rates are too high would then have a chance to appeal. Such a measure, I believe, would pass the legislature and would be constitutional.

The city of Springfield, Mass., is to install a new \$4,000,000 water supply, and generally improve its fire protection facilities.

It is anticipated that insurance will come in for a good deal of attention at the next session of the Massachusetts Legislature.

Thursday and Friday, this week, the special recess committee on

insurance of the legislature will continue the public hearings begun a month ago.

It is now proposed to secure speakers on the San Francisco conflagration for the first numbers in the Boston Insurance Library lecture course, which begins next month.

A good deal of interest is being displayed in the movement to resurrect and reorganize the Massachusetts State Association of Local Fire Insurance Agents.

The Boston Manufacturers Mutual Fire reports losses for August, 1906, of \$4120; sprinkler losses (partly estimated), \$1389; dividend, September 1, ninety per cent.

NOTES FROM PHILADELPHIA.

A final distribution of the assets of the defunct State Insurance Company of this city was made last week by Receiver Henry F. Walton.

The Farmers of York has appointed A. S. Wilson special agent for this State. Mr. Wilson resigned as Western Pennsylvania special agent of the Continental, to accept this new position.

The Birmingham Fire of Pittsburg has been elected to membership in the Philadelphia Fire Underwriters Association. Harrold E. Gillingham is its representative here.

There has been listed at the Philadelphia Stock Exchange \$118,850 additional stock of the Delaware Insurance Company, of a par value of \$10. The stock is selling at \$23 per share.

At a special meeting of the stockholders of the United Firemens of Philadelphia, authority was given for the proposed increase of the capital stock from \$300,000 to \$400,000. The 10,000 additional shares of stock are to be sold at \$20 per share, and it is said that stockholders are readily taking up their allotments.

Before resigning his office last week, ex-Director of Public Safety Potter, in a letter to President Mahlon N. Kline, invited the Trades League to conduct an impartial investigation into the efficiency of the fire-fighting apparatus of the city and the entire fire department, to see if it is as bad as was painted by the committee of the National Board of Fire Underwriters, and that body accepted the invitation to participate, appropriating \$1000 to the insurance committee to defray the expenses incident to the employment of two experts to aid in making the tests. After the said action had been taken members of the Trades League declared that if it was found that the department was not up to standard, the Trades League should use its influence with councils to make an appropriation to bring it up to the mark. At the meeting the directors of the League were informed of the resignation from the insurance committee of E. C. Irvin, a member of the committee which signed the scathing report of the underwriters. Mr. Irvin is president of the Fire Association of Philadelphia, and after the San Francisco conflagration strongly advocated an advance in rates.

The Philadelphia Fire Underwriters Association on Saturday promulgated the following amended ruling on "Contents Rates Specific":

The specific rates on contents of buildings published by this association apply only to the party or parties whose names appear on the rate card. Any other party or parties occupying the building must pay the rate established for "all other contents until specifically rated. For example: Rate for "John Doe, retail clothing," applies only to John Doe and not to Richard Roe, although the latter may occupy the same premises and conduct the same kind of business as successor to the former. When there is a change in tenant, and inspection shows that there is no material change in risk, the secretary is authorized to republish the rate card, placing the name of the new tenant on the card (without revision of rate).

—According to the officers of the Hibernia Savings Bank of San Francisco, the London and Lancashire Fire Insurance Company has issued a notice that it will pay 95 cents on the dollar to its policyholders who suffered losses in the San Francisco conflagration, and has requested the bank to remove the name of the company from its list of insurance companies which are not meeting their obligations.

THE MIDDLE STATES.

Death of Wilbur L. Molyneaux.

Wilbur L. Molyneaux, a member of the well-known insurance firm of George H. Smith & Hicks of New York, died on Friday last. Mr. Molyneaux was a gentleman of most attractive personality, and was highly esteemed in New York underwriting circles, where the announcement of his demise was received with the deepest regret.

Mr. Molyneaux had been engaged in the insurance business since 1864, when he entered the service of the Phenix Insurance Company, later becoming its marine manager. His connection with the firm of Geo. H. Smith & Hicks dated from 1888. Mr. Molyneaux was a versatile man, and had numerous other interests. At the time of his death he was president and a director of the Kniekerbocker Savings and Loan Company; a director of the Lloyds Plate Glass Insurance Company and also of the Atlantic Safe Deposit Company and two real estate companies. He was one of the charter members of the New York Athletic Club, and was identified with various other organizations.

The sincere sympathy of a large circle of friends goes out to the bereaved family. He leaves a widow, son and daughter. The funeral took place on Sunday at 2 o'clock from the late residence of the deceased, 203 W. Seventieth street, New York city.

—Receivers Henry and Walton of the State of Philadelphia, which failed a few years ago, have made a final distribution of its assets.

—Percy W. Clark, special agent of the Westchester Fire for Western New York, has resigned, to connect himself with the general agency of C. R. Knowles, Albany, N. Y.

—Daniel P. Hays has been appointed referee by Justice Newberger of the Supreme Court to hear the proceedings for the voluntary dissolution of the American Fire of New York, on the application of President Frank Lock and certain directors of the company. The American Fire ceased taking new business since June, 1901.

—The new Dutchess Fire Insurance Company of Poughkeepsie is now doing business in the States of New York, New Jersey, Pennsylvania, Maryland, North and South Carolina, Ohio, Massachusetts and Connecticut, and has applications pending in Maine and Rhode Island. The new company starts out under very favorable auspices and with as loyal a corps of agents as any company can boast of.

—The Commerce Insurance Company of Albany, after mature consideration, has concluded to adopt the State agency system of representation in lieu of department managers or general agents. In keeping with this new policy, Frank K. Sawyer of Indianapolis has been appointed State agent for Indiana, and Chas. H. Ainley of Des Moines, president of the Des Moines Fire, State agent for Iowa. Other selections are being contemplated. President Van Allen is just back from an extended trip in the company's interests.

—John J. Townsend, referee in bankruptcy, has filed his report on the issues referred to him in the matter of the Seaboard Fire Underwriters of New York, against which a petition in bankruptcy was filed on April 13, 1905, in which it was alleged that the concern committed an act of bankruptcy by making two preferential payments aggregating \$25. The referee finds that the petitioning creditors failed to establish that the payments were made with intent to prefer, and recommends that the petition to have the company adjudged bankrupt be denied.

THE WEST.

Programme of Fire Underwriters Association of the Northwest

The programme of the thirty-seventh annual meeting of the Fire Underwriters Association of the Northwest, which will be held at the Auditorium Hotel, Chicago, on October 3 and 4, is as follows:

FIRST DAY.

Reports of officers and standing committees, election of new members and president's address.

Address—U. C. Crosby, New York city, general manager Royal Exchange Assurance.

Paper—"The San Francisco Disaster," Otto E. Greely, Minneapolis, Minn., special agent and adjuster Phenix Insurance Company, Brooklyn, N. Y.

Paper—"The Making of an Insurance Library," Henry E. Hess, New York city, manager New York Fire Insurance Exchange.

Paper—"Peril and Defense," Franklin Webster, New York city, editor The Insurance Press.

Paper—"The Relation of the Special to the Local Agent," C. H. Silkworth, Milwaukee, Wis., special agent Springfield F. and M. Insurance Company.

SECOND DAY.

Paper—"Fire Insurance Companies and Their Relations with the Public," Louis S. Amonson, Philadelphia.

Paper—"State Supervision or Centralization," Fred. S. Penfield, Indianapolis, Ind., special agent Germania Insurance Company, New York.

Paper—"Local Agent's Influence in Fire Underwriting," E. J. Tapping, Milwaukee, Wis., president of the National Association of Local Fire Insurance agents.

Address—"The Insurance Business from a Woman's Point of View," Mrs. Gertrude B. Blackwelder, Chicago, Ill., president Chicago Women's Club.

Solo—Mrs. D. B. Welpton, Omaha.

Reports of special committees, general discussion, election of officers for the ensuing year.

Ohio Observations.

[FROM OUR OWN CORRESPONDENT.]

The Lockwood-Taylor Hardware Company of Cleveland is reported to have placed \$50,000 insurance in London, supposedly at Lloyds. This is a result of the sharp advance, which in many cases doubles the old rate and in others goes even higher than that.

Rates have been issued on all risks on High street, Columbus, from Broad to the viaduct. The advances mainly range from twenty-five to fifty per cent, but in case of buildings of modern construction, unless exposed by dangerous risks, they are very small. It is understood that the advances on some risks, not yet issued, will be as high as seventy-five per cent.

An architect is preparing plans for a new auxiliary pumping station to be located at the foot of East Ninth street, Cleveland. This will be used for supplying the high-pressure pipes which are now being placed in the street throughout the congested district.

O. M. C.

Cleveland, September 22.

—The Dixie Fire of Greensboro has entered Indiana.

—The Western Reserve of Cleveland has entered Michigan and applied for admission to Wisconsin.

—Henry W. Gray, Jr., who succeeded James Wyper as secretary of the Orient of Hartford, has applied for membership in The Union.

—The Sun of New Orleans has established a Middle West department at St. Louis, with E. T. Campbell & Co. as general agents for Illinois, Indiana, Michigan and Missouri.

—Joseph Phillips, senior member of the Milwaukee local agency firm of Phillips & Rebhan, and one of the pioneer agents of that city, died recently at his late home, aged eighty-one years.

—The Youngstown Insurance Company of Youngstown, Ohio, has been incorporated by R. P. Hartshorn, George L. Fordyce, John T. Harrington and others. It will do a general insurance business.

—The Seattle Fire and Marine of Seattle, Wash., has just increased its paid-up capital to \$200,000. The company has a net surplus of \$50,000, and will at once enter Montana, Colorado, California, Idaho and Oregon.

—George M. Lovejoy, of Lovejoy & Spear, Western managers of the Phenix of Hartford, will return to work on October 1. Mr. Lovejoy has been off duty for over a year on account of illness, but has recuperated in fine form.

—The Dixie Fire of Greensboro, N. C., has appointed McNaney & Hengle of Chicago its general agents for Illinois and Indiana. The same firm has been appointed managers of the Milwaukee German for Cook county and South Chicago agents.

—The Iowa Legislative Insurance Commission has drafted a standard policy form based upon the New York form with variations to comply with the Iowa laws. The Blanchard anti-compact law is recognized, as also are the laws relating to valued policy and anti-coinsurance.

—J. S. Hewitt, secretary of the Ashtabula County Underwriters Association, who was recently indicted with about thirty other fire agents, charged with operating a trust, entered a plea of guilty this week, and the statutory fine of \$50 was imposed. The other indictments were quashed.

—The Guardian Fire Insurance Company of Pittsburg is contesting the claim of the Missouri Insurance Department that the company cannot be licensed in that State until the \$1000 fine imposed upon the Armenia of Pittsburg—a predecessor of the Guardian—has been paid. The latter contends that it is an entirely separate institution and should not be taxed for a claim against a company in which the present stockholders of the Guardian had no interest.

THE SOUTH.

—Jenness & Taylor of Baltimore have been appointed agents of the Dutchess Fire.

—W. C. Lowndes, Jr., & Co. of Baltimore represent the Shawnee Fire as its agents and attorneys.

—The Jefferson Fire of Philadelphia has planted its Dallas (Tex.) local agency with Sidney H. Tillman.

—The general agency firm of Jordan & Spencer of Jacksonville, Fla., has been dissolved on account of the illness of Mr. Spencer.

—The Virginia State has appointed J. W. Blanton of Gainesville, Tex., its general agent for Oklahoma and Indian Territory.

—The twenty-fourth annual meeting of the International Association of Fire Engineers will be held in Dallas, Tex., October 9 to 12, inclusive.

—The local agents of Owensboro, Ky., have issued a circular letter to companies requesting them to uphold the integrity of their agency representation by retiring any insurance written over the agents' heads, directly or indirectly, or by route of reinsurance, on bonded whisky and all other property.

—The committee on fire protection of the National Board of Fire Underwriters has made its report on the fire protection of Louisville, Ky. The conflagration hazard in the congested value district is described as severe, owing to the close grouping of conflagration breeding blocks, which are compactly built, with structurally weak risks mutually exposed across inaccessible interior courts. The water supply is generally adequate and the fire department under

the command of an efficient chief. The fire alarm system, however, is stated to be insecurely housed with boxes of unreliable, obsolete make, while the operation and maintenance is unsatisfactory.

MISCELLANEOUS FIRE NEWS.

Western Union's Annual Meeting

As the meeting held at Frontenac, N. Y., last week, was the first gathering of the Western Union since the San Francisco conflagration, much interest naturally centered about the practical lessons to be drawn from that disaster and the revising of plans for the recuperation of the companies. The Union sees little hope in a further increase of rates. Just now the demand is for a reduction of expenses in the large cities where high commissions have been paid for business subject to the conflagration hazard. In his annual address President J. W. G. Cofran held that a reduction of expenses in the large cities should come before any effort to advance rates, even on the unprofitable classes. President Cofran urged unswerving adherence to the graded commission and separation rules, and closed his address with a plea for the maintenance of rates and agreements for scientific ascertainment of fire cost and the framing of tariffs based upon such statistics. The report of the governing committee, presented by George W. Law, reviewed the situation presented by the San Francisco disaster and its effect upon the fire insurance capital of the country. He was of the opinion that if the business interests of the country realized what the paralyzing drain upon the fire insurance capital and surplus occasioned by the conflagration really meant, they would insist that the companies immediately take steps to restore their surplus and would readily co-operate in whatever action was necessary to accomplish this end. The report urged that the Union companies should be willing to lose a few risks rather than destroy the principle of standing for adequate rates at a time when the insuring public had been brought to appreciate the necessity for such rates. The report of H. C. Eddy, chairman of the committee on fire protection, was presented. The work of electrical inspection made noted progress, ten cities having adopted wiring regulations during the year, while there had been a general improvement in the standard of wiring and the regulation of overhead wires. Several prominent Union companies have been opposing the agreement of the large cities association, which binds every Union company to the reduced scale of commission and brokerage in Chicago, as soon as the co-operation of ninety per cent of the premiums involved have been secured. These, however, yielded their opposition after a lively discussion, thus leaving only ten per cent to be secured to make the agreement operative. The report of the special committee on the reduction of large city expenses met with strong opposition, several companies holding that the new scale would make their business cost them more than they are now paying. An amendment reducing the scale by five per cent was lost, but the final favorable vote was nearly unanimous.

The following officers were elected: George W. Law, president; Thos. E. Gallagher, vice-president; John Marshall, Jr., secretary. It was decided to hold the next meeting in Philadelphia, April 10, 1907.

Sessions of State Legislatures.

Below will be found the dates of commencement and the limitations of the sessions of the various State legislatures during the coming season:

STATE.	Date.	Time Limit Days.	STATE.	Date.	Time Limit Days.
Alabama.....	Jan. 8	50	New Hampshire.....	Jan. 2	None
Arizona.....	Jan. 21	60	New Jersey.....	Jan. 9	None
Arkansas.....	Jan. 7	90	New Mexico.....	Jan. 15	60
California.....	Jan. 7	60	New York.....	Jan. 3	None
Colorado.....	Jan. 2	90	North Carolina.....	Jan. 9	60
Connecticut.....	Jan. 9	None	North Dakota.....	Jan. 3	60
Delaware.....	Jan. 1	60	Oklahoma.....	Jan. 8	60
Florida.....	April 2	60	Oregon.....	Jan. 14	None
Hawaii.....	Feb. 16	60	Pennsylvania.....	Jan. 1	None
Idaho.....	Jan. 7	None	Porto Rico.....	Jan. 14	60
Illinois.....	Jan. 9	None	Rhode Island.....	Jan. 1	60
Indiana.....	Jan. 7	60	South Carolina.....	Jan. 8	None
Kansas.....	Jan. 10	50	South Dakota.....	Jan. 6	60
Maine.....	Jan. 2	None	Tennessee.....	Jan. 7	75
Massachusetts.....	Jan. 3	None	Texas.....	Jan. 8	None
Michigan.....	Jan. 2	None	Utah.....	Jan. 14	60
Minnesota.....	Jan. 8	90	Vermont.....	*Oct. 3	None
Missouri.....	Jan. 9	90	Washington.....	Jan. 10	60
Montana.....	Jan. 7	60	West Virginia.....	Jan. 9	45
Nebraska.....	Jan. 1	60	Wisconsin.....	Jan. 9	None
Nevada.....	Jan. 16	50	Wyoming.....	Jan. 8	40

* 1906.

Semi-Annual Statements of Fire Insurance Companies.

Below will be found extracts from the semi-annual statements of a number of fire insurance companies as of June 30, 1906. Statements of foreign companies are for their United States branches. The columns of assets and surplus to policyholders as of January 1, 1906, are included to

facilitate comparison. The changes in surplus to policyholders naturally reflect all the transactions of a given company during the six months; hence, a company which may have incurred \$3,000,000 of losses by the San Francisco conflagration, and whose stockholders have paid in \$2,000,000 to surplus account, would only show an approximate decrease in surplus as to policyholders of \$1,000,000. The statistics given only purport to show the actual condition of the respective companies as of January 1 and July 1, 1906, without regard to their business transactions between the dates mentioned:

COMPANIES.	Capital, June 30, 1906.	Assets, June 30, 1906.	Assets, Jan. 1, 1906.	SURPLUS TO POLICY-HOLDERS.	
				June 30, 1906.	Jan. 1, 1906.
Aetna, Hartford	4,000,000	17,149,399	16,815,297	8,590,020	11,036,011
Agricultural, Watertown	500,000	3,095,673	2,960,364	886,895	1,357,262
Allemania, Pittsburg.....	200,000	870,214	870,214	409,139	413,174
Alliance, Philadelphia	500,000	2,034,688	1,242,043	843,843	957,768
American, Newark	600,000	6,225,699	6,005,357	2,048,246	3,030,459
American Central, St. Louis	1,000,000	4,228,314	4,191,809	1,173,154	2,431,518
Atlanta Home, Atlanta....	200,000	353,562	344,551	277,034	278,515
Atlas, London .....	.....	2,060,700	1,949,431	825,005	801,632
Boston, Boston	1,000,000	4,823,538	4,427,652	3,350,126	3,061,125
British America, Toronto..	.....	1,662,074	1,542,949	600,326	496,403
Buffalo Commercial, Buffalo	200,000	593,675	558,612	336,057	332,528
Caledonian, Edinburgh ...	.....	1,979,288	1,833,210	707,577	667,260
Capital, Concord	200,000	670,789	607,432	312,462	304,014
Citizens, St. Louis.....	200,000	852,118	819,129	276,759	390,221
Commercial Union, London	.....	6,652,272	5,067,450	1,818,229	1,570,994
Commonwealth, N. Y.....	500,000	1,515,952	1,442,975	1,029,735	1,004,977
Concordia, Milwaukee	300,000	1,393,451	1,193,134	420,043	494,845
Connecticut, Hartford	1,000,000	6,195,224	5,813,619	1,818,673	2,693,973
Continental, New York....	1,000,000	17,049,387	16,354,502	8,523,020	9,424,225
Eagle, New York.....	300,000	1,388,874	1,031,479	477,569	676,072
Federal Lloyds, Chicago....	.....	184,980	113,493	50,292	36,761
Fire Association, Phila....	500,000	7,056,921	7,003,262	1,061,231	2,013,139
Georgia Home, Columbus..	300,000	1,035,000	1,027,958	562,833	552,215
German, Freeport	200,000	6,973,404	6,148,738	1,010,423	2,152,065
German Indianapolis	100,000	532,278	517,850	226,292	219,726
German, Pittsburg	200,000	823,555	805,024	341,485	313,232
German Alliance, N. Y....	400,000	1,481,637	1,485,286	811,133	1,029,132
German National, Chicago.	200,000	1,326,311	1,030,631	426,316	354,348
German-American, N. Y....	1,500,000	15,955,159	14,052,521	5,916,347	7,942,675
Germania, New York.....	1,000,000	6,748,695	6,835,786	2,038,591	3,889,661
Glens Falls, Glens Falls..	200,000	4,299,411	4,515,081	1,915,282	2,794,065
Hamburg-Bremen, Hamb'g	.....	2,063,413	2,050,521	516,942	504,268
Hanover, New York.....	1,000,000	5,056,826	4,350,604	1,476,309	1,925,516
Hartford Fire, Hartford...	2,000,000	21,411,439	18,061,927	4,203,931	6,374,820
Home, New York.....	3,000,000	21,258,204	21,239,053	9,861,426	11,720,501
Ind. Lumbermens, Ind....	.....	82,478	63,339	34,666	20,863
Ins. Co. of N. Am., Phila.	3,000,000	13,075,343	12,951,990	4,180,083	6,487,237
Ins. Co. of State of Pa., Phil.	200,000	848,342	618,710	266,176	284,170
Jefferson, Philadelphia	200,000	797,629	564,044	469,310	429,482
London Assurance, Lon....	.....	3,129,946	2,326,814	1,441,687	857,682
Lon. & Lancashire, Liv'p'l	.....	3,290,964	3,295,491	972,590	1,149,732
Lumber, New York.....	200,000	413,792	403,792	330,702	311,890
Lumbermens Mut., Mans'd	.....	280,426	236,603	172,513	143,741
Michigan Com'l, Lansing..	300,000	680,398	455,678	436,312	291,565
Mich. F. and M., Detroit.	400,000	1,292,974	1,087,220	560,930	682,637
Milwaukee Fire, Milwaukee	200,000	801,963	685,036	295,401	355,285
Milwaukee Mechs., Mil....	500,000	2,397,070	3,250,543	827,916	1,557,210
Mill Owners, Des Moines..	.....	224,521	196,924	174,537	173,139
Nassau, Brooklyn	200,000	865,450	854,307	318,150	448,858
National, Hartford	1,000,000	8,325,402	7,304,958	2,032,694	3,314,305
National Union, Pittsburg.	750,000	3,164,678	2,108,221	1,025,570	1,018,940
National Lumber, Buffalo.	200,000	291,017	253,648	248,839	247,379
New Eng. Fire, Providence	100,000	161,906	.....	156,714	.....
N. Hampshire, Manchester	1,000,000	4,525,139	4,069,141	2,060,849	2,237,648
Niagara, New York.....	750,000	6,061,760	4,732,286	1,712,626	2,310,412
N. Brit. & Mer., London..	.....	7,153,940	6,517,443	588,077	2,939,531
North River, New York..	350,000	1,915,249	1,796,459	555,966	790,895
Northern, London .....	.....	4,423,659	3,814,972	1,919,772	1,365,348
Northwestern Nat'l, Milw.	600,000	4,135,371	4,174,274	1,613,684	1,823,337
Norwich Union, Norwich..	.....	2,874,140	2,759,422	967,739	891,798
Orient, Hartford	500,000	2,466,482	2,416,979	750,000	1,297,529
Pacific, New York.....	200,000	631,266	573,202	343,769	368,792
Palatine, London .....	.....	4,459,545	2,348,209	1,277,059	1,069,663
Ohio German, Toledo.....	200,000	589,632	558,155	245,035	241,579
Pennsylvania, Philadelphia	400,000	7,137,726	7,024,040	1,187,281	3,392,690
Petersb'g S. & L., Petersb'g	200,000	3,229,295	2,869,419	689,395	675,427
Phenix, Brooklyn	1,000,000	9,141,546	8,859,129	1,665,727	2,236,779
Phenix, Hartford	2,000,000	8,340,692	8,140,630	2,951,777	4,380,939
Phoenix, London .....	.....	3,527,419	3,455,012	1,341,909	1,297,271
Prudential, Tazewell	100,000	518,941	201,651	188,084	181,060
Queen of America, N. Y....	1,000,000	7,350,918	6,841,017	2,513,237	3,722,651
Rochester German Roch'r..	300,000	1,905,041	1,681,632	422,824	689,679
Royal, Liverpool .....	.....	11,207,849	8,429,932	1,669,813	2,852,126
St. Paul F. & M., St. Paul.	500,000	4,650,398	4,565,988	1,006,313	1,815,877
Scot. Union & Nat'l, Ed'g	.....	5,628,368	5,379,583	2,232,179	3,338,058
Security, New Haven.....	500,000	2,095,676	1,866,319	719,589	861,005
Shawnee, Topeka	200,000	941,028	676,440	469,639	251,164
Southern Mutual, Athens..	.....	1,075,093	1,095,291	663,715	809,146
Spring'd F. & M., Spr'fd.	2,000,000	7,337,875	7,156,531	2,735,627	3,966,024
Stuyvesant, New York.....	200,000	603,847	594,868	252,489	352,112
Sun, London .....	.....	3,752,998	3,139,168	57,291	873,275
Sun, New Orleans.....	500,000	1,225,953	1,175,967	788,498	828,774
Teutonia, Allegheny	200,000	665,125	642,426	445,700	427,319
Teutonia, New Orleans....	250,000	1,115,021	900,624	332,975	386,624
Union, London .....	.....	1,754,757	1,776,110	890,870	870,314
Union, Philadelphia	200,000	780,326	718,168	344,527	351,334
United Firemens, Phila....	300,000	1,952,187	1,890,337	338,577	524,570
Virginia State, Richmond..	200,000	744,854	695,648	323,375	396,231
Washington Fire, Seattle..	50,000	125,685	88,120	123,060	66,196
Westchester, New York....	300,000	4,308,778	4,053,482	1,219,591	1,978,128
Western, Toronto .....	.....	2,417,572	2,397,608	808,743	782,945
Western, Pittsburg	300,000	712,462	663,844	402,614	263,297
Williamsburgh City, B'klyn	250,000	2,861,399	2,851,209	1,358,815	1,742,093

National Association of Local Fire Insurance Agents Convention.

The coming convention of the National Association of Local Fire Insurance Agents at Indianapolis, October 17-19, is expected to be prolific in results important to the association. Vice-President Fairbanks is to deliver a welcome address, and Senator Albert J. Beveridge will speak on "National Supervision." D. M. Parry will deliver an address on "Objects and Work of the National Association from the Standpoint of an Outsider." Chairman A. H. Robinson of the membership committee will have the proposition as to dues, now under experiment in Kentucky, ready to submit to the body. It provides for graded membership from \$2.50 to \$10 per annum. The most important questions to be discussed will be compensation to agents, rates, limitation of agency appointments, the writing of net lines by the companies, and the ways and means of building up the association to be a stronger protective organization for local agents. The Indiana State Association of Local Fire Insurance Agents will hold its annual meeting at Indianapolis on the day preceding the national convention. At this meeting an expert will be provided who will explain in plain language the general outline and workings of the Dean schedule, a subject which is engaging the attention of underwriters throughout the West. The annual meeting of the Wisconsin Association of Local Fire Insurance Agents will be held in Milwaukee, October 5 and 6, immediately following the Fire Underwriters Association of the Northwest, so that members returning from Chicago can attend the State meeting. President Tapping of the National Association will make an address at the Wisconsin meeting.

Sales and Quotations of Fire Insurance Stocks.

Below will be found prices at which recent sales or quotations of fire insurance stocks have been made:

Name and Location of Company.	Latest Reported Sale.	Quotation, Bid.	Asked.
Ætna, Hartford .....	.....	395	.....
Alliance, Philadelphia	5¼	.....	.....
Commonwealth, New York.....	150	150	.....
Connecticut, Hartford .....	.....	298	.....
Continental, New York.....	1,401	1,300	1,500
Delaware, Philadelphia	\$23	\$23	.....
Empire City, New York.....	127	.....	120
Fidelity, New York.....	350	330	350
German Alliance, New York.....	305	200	260
German-American, New York.....	505	500	520
Germania, New York.....	451	200	300
Girard F. and M., Philadelphia.....	\$325	.....	.....
Glens Falls, Glens Falls.....	1,510½	.....	.....
Globe and Rutgers, New York.....	315	.....	.....
Greenwich, New York.....	180	180	.....
Hanover, New York.....	150	140	150
Hartford, Hartford .....	.....	505	520
Home, New York	495	485	500
Insurance Co. of North America, Phila....	\$23	\$23	.....
Nassau, Brooklyn	220	125	200
National, Hartford .....	.....	285	.....
New York, New York.....	5	5	10
Niagara, New York.....	275	260	300
North River, New York.....	200¾	150	200
Pacific, New York.....	100	90	140
Peter Cooper, New York.....	180	.....	180
Phenix, Brooklyn	300	290	310
Phenix, Hartford .....	.....	270	.....
Stuyvesant, New York.....	125	.....	100
United States, New York.....	86½	.....	100
Westchester, New York.....	400	400	450
Williamsburgh City, Brooklyn.....	800	400	450

BRITISH COMPANIES.

Name and Location of Company.	Amount Paid Up Per Share.	Latest Sale or Quotation
Alliance, London (old).....	£ 2 4 0	115½
Alliance, London (new).....	1 0 0	125½
Atlas, London	1 4 0	5¾
Caledonian, Edinburgh	5 0 0	157½
Central, London	0 10 0	11 s.
Commercial Union, London	5 0 0	79
Fine Art and General, London	1 0 0	65 s.
Indemnity Marine, London	3 0 0	113½
Law Union and Crown, London.....	0 12 0	5½
Liverpool and London and Globe, Liverpool.....	2 0 0	43¾
London Assurance, London.....	12 10 0	51
London and Lancashire, Liverpool.....	2 10 0	23
North British and Mercantile, London.....	6 5 0	40
Northern, London	10 0 0	80
Norwich Union, Norwich	12 0 0	118
Phenix, London	5 0 0	36
Royal Exchange, London	100 0 0	212
Royal, Liverpool	3 0 0	48
Scottish Union and National, Edinburgh, "A".....	1 0 0	65 s.
Scottish Union and National, Edinburgh, "B".....	3 15 0	12¼
State, Liverpool	3 0 0	33s. 3d.
Sun, London	0 10 0	12

OTHER FOREIGN COMPANIES.

	Francs.	
Confiance, Paris	200	680
Generale, Paris	1,000	29,500
Metropole, Paris	60	95
Nationale, Paris	625	13,100
Paternelle, Paris	400	3,800
Phenix, Paris	1,000	12,000
Soleil, Paris	500	3,850
Union, Paris	250	15,200
Union and Phenix Espanol, Madrid	200	450
Urbaine, Paris	250	4,500

—The annual report of the Reading Railroad shows cash on hand June 30, 1906, to the credit of its insurance fund, \$1,036,838.

—The San Francisco claimants of the Calumet of Chicago have practically decided to accept the company's offer to create a fund of \$500,000 for liquidating its losses.

—H. F. Atwood, secretary of the Rochester German Fire Insurance Company, who is at present in San Francisco, has issued notices to all the company's Pacific Coast agents of its intention to withdraw from that territory.

—The Yorkshire Fire and Life of York, England, is contemplating the extension of its fire department operations to Canada. James Hamilton, the secretary and general manager of the company, is now inspecting the field.

—The Massachusetts Mutual Fire Insurance Union has elected the following-named officers for the ensuing year: John M. Stevenson, president; Henry G. Morse, Walter L. Harris, vice-presidents; Charles F. Danforth, secretary and treasurer.

—The total salvage discovered by the San Francisco Adjusting Bureau is \$8,600,000 on all but 110 losses that will come before the bureau. This is but 10.3 per cent of the amount involved in insurance on 1072 burned properties. If this proportion of salvage continues to the end of all the remaining adjustments the total of salvage will not reach \$10,000,000.

—The operation of the insurance fund of the Chicago, Milwaukee and St. Paul Railway shows cash on hand June 30, 1906, \$1,450,682, an increase of \$149,844 during the fiscal year. The premiums amounted to \$148,604, and the total income to \$290,546. The disbursements include: Paid-for losses, \$50,742; expenses, \$4124; reinsurance, \$65,813; purchase of bonds, \$149,844; total, \$270,523.

LIFE INSURANCE TOPICS

BOSTON AND VICINITY.

A cablegram received in Boston, Wednesday, from Havana, by J. J. Warren, director-general of the Mutual Life of New York for Cuba, who is visiting in Boston, was as follows: "Cable received. No buildings burned down. Peace terms being considered."

This despatch was sent by the official in charge of the company's office during the absence of Mr. Warren. Reports published in the newspapers gave Mr. Warren some concern as to the safety of his interests on the island, and he cabled for information. Mr. Warren decided that the situation was not serious enough to cause him to cut his vacation trip short. Mr. Warren states that the present trouble in Cuba is wholly political, and that he hopes that it will not go so far as to be detrimental to the island's growing business interests.

NOTES FROM PHILADELPHIA.

The managership of the Massachusetts Mutual Life in this city has been transferred from Henry A. Bray to William C. Skinner.

The Philadelphia Life has selected Ernest M. Blehl as its actuary. He was formerly connected with the Security Trust and Life in the same capacity.

The United American Life of Philadelphia has been licensed to do business in West Virginia.

At a special meeting of the stockholders of the Philadelphia Life last week, it was voted almost unanimously to permit the present holders of policies to subscribe to an extra \$700,000 issue of stock. When the said new issue was first decided upon it was the intention to permit only persons taking out new policies to subscribe to the same, but old stockholders, who wished to participate, protested, and the agitation brought about the special meeting at which the change was adopted. The original intention was to allow persons taking out new policies to subscribe for stock at \$25 per share, but the plan now adopted allows old stockholders to subscribe for the new stock at \$40 per share, while the price to new policyholders has not been determined.

THE MIDDLE STATES.

Life Insurance in New Jersey.

According to the annual report of the New Jersey Commissioner of Insurance and Banking for the year 1905, the aggregate admitted assets of the forty-one old line companies doing business in that State on December 31, was \$2,657,314,348, which is a gain of \$190,987,147. Mortgage

loans constitute 26½ per cent of the total assets; real estate over 6 per cent; stocks and bonds, 52 per cent; collateral loans on policies, 9 per cent; cash on hand and in bank, less than 3 per cent; deferred and uncollected premiums, less than 2 per cent; accrued interest and rents, 1 per cent. The assets of the three New Jersey companies show an increase of \$24,719,413. The income of all the companies was \$619,404,253, a gain of \$40,950,308. Premiums amounted to \$487,956,064, an increase of \$17,801,133, although this is less by \$19,760,648 than the gain in premium receipts in 1904. The number of policies issued was 5,158,500 for \$2,541,580,460, an increase in number of 45,734, but a decrease in amount of \$155,234,510 as against a gain in 1904 of \$157,788,360.

—On September 13 a charter was issued to the Independence Mutual Life Insurance Company of Philadelphia, which has established offices in the Tradesmen's Trust Company building, at 1527 Chestnut street. The officers are Richard B. Morrell, president; Wm. H. Burns, vice-president; Edgar Ashman, secretary, and Robert Lewis, treasurer.

—Mills Whittlesey, general agent of the Northwestern Mutual Life at Trenton, N. J., committed suicide last week by shooting himself in the mouth in his office in the First National Bank building. He was dead when found a few moments later. It is supposed that worry over business affairs and the continued ill-health of his wife, who has been an invalid for years, were the reasons for the suicide. Mr. Whittlesey was a graduate of one of the New England colleges, and was for a number of years an instructor of modern languages at the Lawrenceville School. He was also the author of several German text books, and was a frequent contributor to the public prints.

THE WEST.

Oregon Life Insurance Company.

A new life insurance company, from which much may be expected in the coming years, commenced operations a few months ago in Portland, Ore., under the name Oregon Life Insurance Company. Its organizer and now the general manager, L. Samuel, was for fifteen years manager for Oregon of the Equitable Life of New York, during which time he placed large amounts of business. In organizing the new company particular stress has been laid upon the preservation of the policyholders' interests, and while the company starts with a capital stock of \$100,000, provision is made for its retirement after five years from March, 1906, so as to make the company purely mutual. Policy forms are in accordance with the most modern practice, so that policyholders may be sure they are getting the best there is. The men interested in the company as stockholders or guarantors are among the leading citizens and business men of Oregon and each one is using his best influence in promoting its welfare. The official staff is headed by President A. L. Mills, who is also president of the First National Bank of Portland; Adolph Wolfe, Louis G. Clarke and William Pollman are vice-presidents; Geo. Sanford Smith, secretary; Leo Friede, treasurer; L. Samuel, general manager, and Clarence S. Samuel, assistant manager. The Oregon Life aims at perfection in life insurance as summed up in the following sentence: "A company conducted by men of high repute, skilled in finance, having associated with them life insurance underwriters who use safe methods and plain insurance contracts that have been tried and stood the test of time, with moderate expense of conducting the business." The company has every prospect for a successful career and will prove a valuable factor in the development of the great Pacific Northwest.

The West Coast Life Insurance Company.

The stock corporation laws of California afford special protection to the policyholders of a life insurance company of that State, in that stockholders are liable for all debts. Hence careful management is sure to be enforced that the interests of all may be conserved. Under this law the West Coast Life Insurance Company of San Francisco has been incorporated and commenced business during the current year with subscribed funds of \$500,000, of which \$200,000 is capital, \$200,000 surplus and \$100,000 for development purposes. The managers of the new company are men of long experience in life insurance work, the president, George A. Moore, having been for many years at the head of the Pacific Mutual Life, while Vice-Presidents Thomas L. Miller and Edward L. Dorn were also with the same company. Julian Sountag is secretary and treasurer; E. L. Wemple, medical director, and Edward Topham, assistant medical director. The company issues policies providing the most liberal benefits consistent with safety, its participating policies providing annual dividends after five years, insurance in case of permanent total disability and for an additional premium insurance in case of temporary disability. A special clause relating to dividends stipulates that the policyholder will receive all dividends to which he is entitled. A copy of the application accompanies every contract, and under the by-laws a policyholder

has the privilege of examining the company's books of account and vouchers at any time during business hours. Industrial policies are also issued by the company so that it is in position to meet all demands for life insurance. Efficient management, liberal policies and ample financial strength all aid in making the prospect bright for the upbuilding of a successful company.

Continental Life Insurance and Investment Company.

During the present year the Insurance Departments of Utah and Idaho have examined the Continental Life Insurance and Investment Company of Salt Lake City, with the result that both assert the company is being honestly, competently and economically managed and is in good financial condition. The company is but a little over two years old, but has more than six millions of insurance in force, with assets exceeding \$410,000. All approved forms of policy contract are written by the Continental and it has the advantage of low mortality and high interest rates. A number of Utah policyholders have expressed their faith in the stability of the institution, not only by their deeds in taking out insurance, but by unqualified endorsement of the management over their own signatures. The Continental is operating in the several Pacific Coast and mountain States and has recently entered Oregon, whose citizens have given it a hearty reception. Its combination life, health and accident policy covering all the vicissitudes of life is meeting with special favor. The principal officers of the company are: Thomas R. Cutler, president; Frank Pierce, vice-president and general counsel; Cameron C. Wylie, secretary, and W. L. McCormick, treasurer.

Chicago Life Insurance Company Reinsures.

The Chicago Life has reinsured its business in the Federal Life of Chicago. The business taken over amounts to 3000 policies for about \$6,000,000, which gives the Federal Life \$15,000,000 insurance in force and \$1,000,000 assets. Herbert S. Duncombe and C. T. Prime, respectively general counsel and assistant secretary of the Chicago Life, become general attorney and auditor of the Federal. The Chicago Life was solvent, but has been torn by internal and external difficulties, and its directors could not give it the necessary attention. It was organized about five years ago, and its officers are business and professional men, rather than life insurance men.

—The new life insurance company being organized in Cleveland is backed mostly by men of Bedford, Ohio.

—The deal by which Otto L. Van Laningham was to purchase the State Agency Company of Indianapolis has been blocked by the refusal of the officers of the State Life Insurance Company to sign the notes of Van Laningham given in payment for the Agency Company.

THE SOUTH.

—The Equitable Life has just paid \$51,772 to the estate of P. D. Horkan of Augusta, Ga., who died recently.

—A North Carolina charter has been granted to the Mecklenburg Mutual Life Insurance Company of Charlotte, which will operate as an assessment company.

—Preston & Sibley have resigned as Georgia State agents of the Missouri State Life, and are suing M. B. Browne and the company, alleging fraud and misrepresentation in the transaction by which they became agents of the company.

—The Commonwealth Life of Louisville, Ky., has appointed J. M. Quinn superintendent of agencies for its entire ordinary department. Mr. Quinn has had many years of experience with leading companies, is a large producer, and knows the business thoroughly. He will proceed at once to enlarge and organize the agency force. About November 1 the company will put out a new policy that will be attractive to agents and buyers. In the meantime, Mr. Quinn will be seeking agents and arranging territory.

—The State Mutual Life Insurance Company of Rome, Ga., has introduced a series of flag policies by a contest. It offered a cash prize to its agent who would first secure a \$10,000 application for a flag policy on a paid basis. Within a few hours of the receipt of the notice of contest sent out to all the agents, four of the fieldmen telegraphed that they had placed flag policies, and the first mail carried the applications, together with settlements, to the head office. The company was obliged to name these four men winners and award a cash prize to each of them. The policy is decorated by a wreath of Southern flags, and the collection was gotten together after six or eight months' inquiry. All trace of some of the flags had been lost, and these flags were gotten up from descriptions. There is no similar collection in existence. For a few weeks this company will issue flag policies in order to introduce it, but restrictions may be placed on its sale hereafter.

—The new Inter-State Life Insurance Company of Nashville, Tenn., is now ready for business, the stockholders having elected the following directors: Joseph H. Thompson, Dr. M. C. McGannon, A. M. Burton, Guilford Dudley, Daniel C. Buntin, E. R. Richardson, N. R. Gholson, A. S. Williams, Oliver J. Timothy, William J. Cummins, G. M. Neely, Bruce P. Shepherd, Joseph Frank.

Luke Lee, R. J. Lyles, M. H. Richardson and Robert S. Hollins. The directors have named the following officers: E. R. Richardson, president; A. M. Burton, vice-president and general manager; G. M. Neely, vice-president; Bruce P. Shepherd, treasurer; M. C. McGannon, chief medical director; Joseph H. Thompson, chairman of the finance committee. The appointment of medical examiners and agents throughout the entire South will be taken up at once, and the company expects to be operating in a majority of the Southern States by the first of next year.

MISCELLANEOUS LIFE NEWS.

American Life Assurance in Great Britain.

[FROM OUR LONDON CORRESPONDENT.]

The report of the select committee of the House of Lords, upon life assurance companies having their chief offices outside the United Kingdom, has just been made public. The committee, which was appointed on May 1, 1906, consisted, originally, of Lords Balfour, Stanley of Alderley, St. Oswald, Grimthorpe and Burghclere. Lord Wolverton was subsequently added in place of Lord Grimthorpe, and Lord Beauchamp in place of Lord Balfour. Lord Donoughmore was afterwards added in place of Lord Wolverton.

The committee, after hearing evidence from an official of the Board of Trade, and from witnesses representing the views of British, Colonial and American insurance companies, of actuaries, and of certain policyholders in American companies, have come to the conclusions which are set out in their report.

Its text is as follows:

1. The committee find that there is an almost unanimous opinion amongst the leading British actuaries and life insurance managers against compelling foreign life insurance companies which do business in this country to deposit funds as a security for their British policyholders.

2. The principal objections raised by the witnesses to making it compulsory on foreign companies to deposit in this country funds (beyond the sum of £20,000 under the Life Insurance Companies Act of 1870, to which reference will be made in a subsequent paragraph) for the special benefit of their British policyholders seem to be:—

(i.) That such a system would be contrary to the principles with regard to insurance companies which have hitherto prevailed in Great Britain.

(ii.) That it would violate the principle that the whole of the funds of an insurance company should be available for the claims of all policyholders alike.

(iii.) That if any regulations of this kind were adopted, it would undoubtedly lead to reprisals on the part of foreign governments.

(iv.) That if any such deposit of funds were made compulsory on foreign life insurance companies, it might lead the public to suppose that the solvency of such companies was guaranteed by the British Government.

(v.) That any such deposit might seem to imply a statutory basis of valuation, the tendency of which, it has been pointed out, would be likely to weaken rather than to strengthen reserves.

(vi.) That any such deposit of securities would appear to give an unfair advantage to British subjects holding policies in a foreign company, whilst under such limited State supervision it is doubtful whether the policyholders would be as well protected as they are by the control, through publicity and freedom, which exists with regard to British companies.

3. In view, therefore, of the evidence which they have heard, the committee do not consider that, in the interests of British policyholders, it is desirable to compel foreign companies to deposit funds in this country.

4. But the committee, although they cannot recommend that any obligations should be placed on foreign companies to which British companies are not also liable, are of opinion that foreign companies which do business in this country should be placed as far as possible in the same position as the British companies with which they compete. They should, in fact, be made as far as possible to comply in all respects with the requirements of the Life Insurance Companies Act of 1870.

5. The Life Insurance Companies Act of 1870 seems, on the whole, to give general satisfaction, inasmuch as it insures a full measure of publicity in the accounts of all British companies and gives ample legal remedies to policyholders.

In some respects, however, in view of the great increase of insurance business, the committee are of opinion that certain amendments are desirable.

6. The deposit of £20,000 with the Accountant-General of the Court of Chancery, which the Act of 1870 makes obligatory on any new company, whether foreign or British, has undoubtedly had the effect of preventing the formation of mushroom companies. But under the act a company is permitted to withdraw this sum as soon as the premiums amount to £40,000. The committee are aware that this sum of £20,000 would be of little use to meet the liabilities of the larger companies which do business in this country; but they feel that if this amount were deposited and could not be withdrawn by any company, it would afford an absolute guarantee to policyholders in foreign companies of being able always to proceed if necessary against such companies in the courts of this country.

The committee therefore recommend that every company which carries on business in Great Britain should be required to maintain this deposit of £20,000 permanently, so long as any policies continue outstanding in this country.

Some of the foreign and colonial companies which carry on business in the United Kingdom at the present time have made a voluntary de-

posit with British trustees of securities to a value considerably greater than £20,000 for the purpose of meeting any claims made on them by their policyholders in this country. Although the committee, as they have already pointed out, cannot recommend that such a deposit of funds should be made compulsory on foreign and colonial companies, they yet feel that the appointment of British trustees to act for such companies is highly desirable, not only in the interests of British policyholders, but also in the interests of the companies themselves.

7. The committee believe that experience has proved that the best means of guarding the interests of policyholders in all insurance companies is by insisting on the fullest openness in the accounts of such companies.

They therefore recommend that all insurance companies, whether British or foreign, should be required to furnish the Board of Trade with the full revenue accounts, balance-sheets and valuation statements of their business, showing at the same time the expenses of management.

8. At the present time the Board of Trade have no powers to vary the returns to be made by insurance companies under the Act of 1870, nor can they apparently compel companies to amend their deposited returns. The committee recommend that the board should be empowered to vary from time to time the forms of the questions which insurance companies are called upon to answer and of the returns to be made by them, and also to insist upon such answers and returns being in every respect complete and accurate.

The committee recommend that in these returns it should also be made absolutely clear how far the funds of any foreign company are subject to preferential claims in any country in which it transacts business.

9. The committee are also of opinion that in all such returns the amount of the foreign business and of the business actually transacted in this country should be carefully distinguished; but they do not consider that it would be necessary for each company to make a separate valuation for its British and foreign business respectively, because they consider that the total assurance fund of every company should be liable for all policies alike.

10. The committee consider that it would be very desirable to provide for a statement in the returns made by all insurance companies, both British and foreign, of the market value of the securities held by them. This regulation is in force in other countries.

The committee believe that if it were adopted in this country the public would obtain each year more complete and satisfactory information with regard to the actual value of a company's investments than it is sometimes possible to obtain under the schedule of the act as it is now framed.

This finding is so eminently reasonable that there is no doubt it will meet with the approval of insurance men generally, and, in the result, will have a beneficial effect upon the business at large.

London, September 14.

CHARTERS.

Uniform Legislation and Standard Policy Forms.

The National Convention of Insurance Commissioners at their meeting in Washington next week, will consider the report of the committee of fifteen appointed at a meeting of governors, Attorney-Generals and Insurance Commissioners on uniform legislation. Drafts of a number of bills have been submitted, mainly based on the legislation following the report of the Armstrong committee, somewhat modified by the Ames bill in Congress for the District of Columbia. The bills submitted for approval are as follows:

To require an annual apportionment and accounting of surplus in life insurance companies.

This bill provides for the payment of dividends on or before the end of the second policy year, limits the contingent or surplus reserve and calls for an apportionment of surplus annually on deferred dividend policies previously issued, said apportionment to be considered a liability.

Regulating life insurance companies and prohibiting the diversion of funds for political purposes.

To regulate the investments of the funds of life insurance companies.

Relating to the provisions of life insurance policies (making the policy contain the entire contract).

Defining the status of persons soliciting life insurance.

To prohibit misrepresentations by life insurance companies (forbidding estimates, etc.).

To prohibit discrimination by life insurance companies (anti-rebate).

Providing for and regulating the election of directors of mutual life insurance companies.

In addition to providing for the election of one-third the number of trustees annually, by mail, proxy or personally, this bill provides that 100 policyholders, resident in any State or Territory, may elect a representative to attend the annual meeting, and if 500 votes are cast, the company is to pay the expenses of the representative for going to the annual meeting.

To prohibit the issuance of non-participating policies by certain life insurance companies.

Relating to the salaries of officers and agents of life insurance companies regulating disbursements by life insurance companies.

Regulating the retirement of capital stock in certain cases.

The committee considers it inexpedient to submit a bill for the mutualization of existing stock life insurance companies.

Standard forms are submitted covering life and endowment policies with and without survivorship, annuity provision, and term policies with and without right to renew.

Semi-Annual Statements of Life Insurance Companies.

Compiled from the semi-annual reports of life insurance companies licensed to transact business in Georgia for the six months ending June 30, 1906:

	Assets.	Liabilities, Including Capital.	SIX MONTHS, 1906.	
			Income.	Disburse- ments.
	\$	\$	\$	\$
Aetna	81,279,604	76,276,850	5,698,171	4,769,903
Chicago	298,872	296,777	92,049	95,509
Citizens	464,050	394,378	229,506	245,463
Columbian National	1,968,128	1,594,791	1,449,913	621,521
Connecticut Mutual	66,370,564	.....	4,116,665	4,099,942
Equitable, New York	427,211,236	360,176,378	35,636,879	26,872,186
Fidelity Mutual	11,821,698	10,235,741	2,808,516	1,525,742
Franklin	3,073,184	2,661,818	584,198	368,363
Germania	36,523,234	31,778,030	3,272,926	2,434,545
Hartford	3,708,431	3,199,142	1,192,281	1,025,123
Home	18,501,254	17,186,854	2,037,341	1,443,147
Illinois	5,832,603	5,599,915	812,519	764,464
Life Insurance Co. of Virginia	2,671,116	2,357,963	1,097,689	864,760
Manhattan	19,170,499	17,751,820	1,640,548	1,184,698
Maryland	2,615,536	2,360,080	213,237	156,262
Massachusetts Mutual	42,017,149	38,547,843	4,808,934	2,870,651
Meridian	866,699	734,629	217,912	163,172
Metropolitan	164,627,806	146,548,873	32,127,195	19,363,695
Michigan Mutual	9,670,363	9,553,649	1,005,966	788,868
Missouri State	932,437	825,967	252,632	244,187
Mutual Benefit	102,200,374	94,478,383	10,035,421	6,864,785
Mutual Life, New York	483,026,508	478,267,606	39,865,756	21,092,069
Mutual Reserve	4,754,582	4,641,241	1,756,873	2,438,593
National, Vermont	34,533,357	30,694,979	3,550,699	2,358,943
National Life, U. S. A.	6,605,458	6,434,791	1,078,763	559,765
New England Mutual	41,505,346	37,620,727	3,835,596	2,758,310
New York	458,000,000	.....	51,010,268	29,360,706
Northwestern Mutual	214,923,185	205,451,154	18,952,948	13,878,669
Pacific Mutual	8,607,015	8,459,050	1,732,655	1,231,634
Penn Mutual	79,840,283	69,512,665	9,312,093	5,527,909
Phoenix Mutual	21,292,064	20,386,064	1,988,818	1,430,318
Pittsburgh L. and T.	1,411,416	1,111,652	244,245	156,267
Provident Savings	9,290,742	9,013,527	2,095,810	1,805,150
Prudential	117,242,189	100,627,994	26,393,799	16,566,409
Reliance	2,162,343	1,463,882	504,114	222,803
Reserve Loan	1,642,590	1,526,839	374,333	240,510
Security Life and Annuity	331,591	204,886	133,194	80,651
Security Mutual	3,818,442	3,296,229	992,083	686,427
Southern States, Georgia	163,547	111,194	14,980	2,964
State Mutual, Georgia	495,460	248,284	380,469	287,851
State Mutual, Massachusetts	28,206,046	25,490,495	2,829,138	1,927,396
State Life, Indiana	4,720,883	4,059,439	1,860,155	917,428
Sun, Canada	22,820,062	20,775,529	2,974,842	1,483,141
Travelers	51,125,527	44,504,295	7,590,594	5,509,749
Union Central	53,120,823	44,134,973	5,926,545	2,870,386
Union Mutual	12,514,189	11,834,041	1,487,904	1,093,773
Volunteer State	207,169	271,596	93,852	73,330
Washington	18,373,754	18,166,118	1,725,945	1,409,944

The Attorney-General and Other State Companies.

Reference has heretofore been made in THE SPECTATOR to the decision of the Attorney-General relative to the application of the new laws to life insurance companies of other States. At the request of several correspondents we print herewith the full text of the decision as handed to Superintendent Kelsey:

Three questions of importance have arisen in regard to the conduct of business in this State by foreign life insurance corporations which have heretofore been licensed to do business within the State. Briefly stated, these questions are as follows:

I. Whether such corporations are subject to the limitation of expenses set forth in section 97 of the insurance law, said section being a new section added by the amendment of section 33 of chapter 326 of the laws of 1906?

II. Whether such corporations are restricted in the same manner as domestic mutual life and domestic stock life insurance corporations so that those issuing participating policies shall not be permitted to do a non-participating business within the State?

III. Whether such foreign corporations are required to conform with the standard forms of policy required of domestic life insurance corporations by the provisions of section 101 of the insurance law?

On July 25, 1906, a hearing was had at this office, at which counsel for various insurance companies of Connecticut were heard. Subsequently briefs were filed by these gentlemen, and, in addition thereto, briefs on behalf of other companies similarly situated have been forwarded to me.

I have carefully examined into this subject, and in addition to a consideration of the statute I have made inquiries as to the history of the legislation. The subject matter involves a detailed consideration of various provisions of the insurance law, which, if fully set forth, would unduly extend the length of this opinion, and I shall, therefore, briefly state my conclusions.

First.—The foreign life insurance corporations, hereinbefore referred to, must conform with the provisions of section 97 in regard to limitation of expenses. This conclusion is sustained by legislative intent as evidenced, among other things, by the following express provision in section 97:

"A foreign life insurance corporation which shall not conduct its business within the limitations and in accordance with the requirements imposed by this section upon domestic corporations shall not be permitted to do business within this State."

Second.—I am of the opinion that foreign life insurance corporations heretofore licensed may hereafter be licensed if they do both participating and non-

participating business. I have arrived at this view both from a reading of the provisions of the statute relating thereto, and from a history of the legislation. An examination of the bills in the course of their progress shows that it was originally intended by the legislative committee to prohibit foreign as well as domestic life insurance companies from issuing both participating and non-participating policies, but prior to the passage of the bill, and after public hearings before the committee, the wording of the bill was changed to read as it now appears in the act, so that the word "domestic" in section 102 of the insurance law was advisably inserted where it had theretofore been omitted, and thus the prohibition against issuing both participating and non-participating policies was not extended to foreign corporations. This legislative intent receives further support from the provision in paragraph 11 of section 103 of the insurance law requiring a foreign corporation "issuing both participating and non-participating policies" to make a separate statement of profits and losses, margins and expenses with reference to each of said kinds of business.

Third.—I am of the opinion that foreign life insurance corporations are not required to conform with the standard forms of policy provided for in the act. Section 101, which sets forth in detail the four standard forms, specifically refers to all policies of insurance other than industrial policies issued or delivered within this State "by any domestic life insurance corporation."

The legislative history of this section is quite similar to that of section 102. The original bill applied these requirements as to standard forms to "any" life insurance corporation doing business within the State, but after public hearings before the committee the bill was changed so as to insert the word "domestic" between the word "any" and the words "life insurance corporation."

These changes were made after full argument, in which, among other things, relations of inter-State comity were called to the attention of the legislature, and the changes were the result of the deliberate judgment of the legislative body.

I have examined with care other sections of the statute which may be read in connection with the subject matter herein considered, and I fail to find any provisions upon which a different conclusion may be based.

I may repeat that my opinion is confined to those foreign life insurance corporations who already have licenses to do business within this State, and who may apply for renewals thereof. The case of any new applicant for a license will be considered when presented.

The Canadian Investigation.

Continuing the examination of the Monarch Life, Manager Ostrum was requested to produce the mining certificates of the Monarch Company, asked for on the previous day, but he had not procured them, saying that he had no time to think of them. Commissioner Kent asked Mr. Ostrum if he thought that a single share of the stock of his company would have been sold if the prospectus had contained the information that Mr. Ostrum was to get \$50,000 for his copyrights. "I told them," replied Mr. Ostrum, "that I was to get \$1000 in cash and \$49,000 worth of stock."

The last witness in the case of the Monarch Life was President D. A. Gordon, M. P., who said that he had signed a few stock certificates in ignorance that they were for part of the 1400 shares in payment for Mr. Ostrum's copyright, and when he learned the truth regarding them he stopped signing at once and subsequently canceled those which he had signed.

The commission then examined the Home Life, Manager J. K. McCutcheon being the first witness. The Peoples Life Company, which was merged last year, he said, had practically ceased business, and there was only one outstanding debenture. Mr. McCutcheon said that he had paid \$80,000 cash and \$25 per share for 1164 shares to A. J. Pattison and J. Firstbrook, the cash payment representing the cash commutation value of their contracts as manager and permanent president of the Home Life, respectively.

"Where did you get the money to pay for these shares?" asked Mr. Tilley. "From the Peoples Life," replied the witness, adding that he was acting for Mr. Stratton in making the purchase and that the money had been obtained from that gentleman. The speaker was, however, personally responsible for it, and later he stated that he had transferred the shares in question to Mr. Stratton. Regarding the company's bond holdings, in addition to Grand Valley Railway Company bonds, the company was carrying Ontario Electric Light and Power Company of Cobourg at a loss. The whole account was written off when Mr. Stratton became president, putting an item of \$11,000 into profit and loss. In October, 1905, Mr. Pattison received \$1100 for services rendered in 1892. Mr. Stratton pointed out to Mr. Pattison that he had commuted all claims against the company for services, and Mr. Pattison told him if he had received any money he was not entitled to he would return it. In regard to another sum of \$1325 received by Mr. Pattison, which Mr. Stratton inquired into, Mr. Pattison told him that this note was made to cover a loss on Sloss steel. Mr. Stratton spoke to the directors about it and each of them sent in a check to cover the amount. Mr. Tilley found that 100 shares of Sloss had been purchased for \$7125, the directors giving a note in payment. It was sold on December 31, 1903, and rebought on January 2, 1904, without profit or loss, the purpose being to keep the transaction out of the Government report. Mr. Pattison said, in connection with the Peoples Life prior to amalgamation, that for several years the manager had not been paid anything for his services, though the position was considered worth \$5000 a year.

Mr. Pattison said that the contract with the Home Life, which he sold to Manager McCutcheon for \$80,000, had still eight years to run when sold, and during that time he would receive about \$80,000 from the firm. He had consulted an actuary as to its value at the time of the amalgamation. The shares of the old directors of the former company were bought from them for Mr. Stratton at \$25 a share, which was the highest price ever paid for the company's stock. The examiner ascertained that they all received sums in excess of the value of their stock, in most cases \$500 more.

Mr. Tilley asked if the directors were aware that Mr. Pattison was getting \$80,000 for stepping out. The witness did not think so. When asked if he was aware that a percentage of the premiums of the Home Life was being paid to Mr. McCutcheon annually to make up the \$80,000 paid to the witness, Mr. Pattison said he did not know how the amount would be raised, but he thought Mr. Stratton would pay it and when asked if he thought Mr. Stratton would hand over \$80,000 in addition to the price of his shares, the witness declared the company's business would warrant such a price. Rev. Dr. Briggs swore that he did not know anything of the \$80,000 deal until the facts were published, nor did he know anything of the \$11,000 deal with Mr. McCutcheon.

Mr. J. S. King, vice-president of the Home Life, had some knowledge of the Pattison and Firstbrooke contracts, but considered them to be entirely personal.

Following the examination of the Home Life, the Commission took up the Independent Order of Foresters and considerable time was devoted to its methods, both here and in foreign countries. Mr. Shepley put the following question to President Oronhyatekah: If the law required that you should be wound up would you have sufficient funds to reinsure in a solvent company? The witness did not think the order could either do that or pay the full amount of computed policies, but rather excused himself on the ground that some old line companies had been in the same position. In relation to salaries, the witness stated that he received \$15,000 a year. He started at nothing and for a number of years after 1896 got \$10,000 per annum. At the Atlantic City meeting last year he received an increase to \$15,000. The salary of Supreme Secretary McGilivray, he said, was \$6100 a year, until last year, when it was increased to \$7000. Mr. Harry Collins began at \$2000 a year, in 1896. In 1898 his salary was raised to \$2249. In 1899 he received a further increase to \$2500, and at this figure it remained till 1905, when it was made \$7000. Dr. Millman, in 1896, got \$3000; in 1897, \$6500, and last year this salary was raised to \$7000. During the ten years between 1896 and 1905, the officers' salaries amounted to \$300,223; the wages of office employees were \$600,504, the organizing staff, \$945,649, and organization expenses, \$771,496.

The Fight for Control.

Since the promulgation of the anti-administration tickets for trustees of the Mutual and New York Life insurance companies on September 18, the principal interest has centered on the fusion ticket filed by Albert L. Bard. Immediately on its announcement an order was issued by the Mutual Life, signed by President Peabody and Vice-President McClintock, as follows:

All persons connected with this company are called upon to sustain the administration ticket wholly and unreservedly. Any report that any one in this office is not supporting the administration ticket solely and with all his energy is false and malicious.

At the same time that the statement was issued, Vice-President Dexter, at the order of the agency committee, a majority of whom are trustees from McCurdy days, issued orders dismissing from the service of the company T. Reid Fell, one of the Mutual's New York city managers, who asserted his right to stand for election on the policyholders' ticket at a trustee. Behind the order lay the outspoken demand of the McCurdy "old guard," which Mr. Peabody is understood to have heard in no uncertain terms, since the third ticket's advent, to persuade everybody in the Mutual's service to get in line for the administration ticket. On Tuesday, Frederick O. Paige, manager of the company for Michigan, whose name appears on the fusion ticket, and Herbert N. Fell, one of the New York city managers, had their contracts canceled owing to their refusal to support the administration ticket.

In Paris Mr. Untermeyer has had to call off a proposed meeting of Continental policyholders of the New York companies, such a meeting being said to be impracticable—probably for lack of interest.

National Convention of Insurance Commissioners.

In view of the importance of the several reports to be considered at the sessions of the National Convention of Insurance Commissioners, at the Arlington Hotel at Washington, next week, it is suggested that such persons as desire to submit their views on matters intrusted to committees, communicate with the chairmen of such committees at once, or make arrangements to attend the meetings of the committees. The committee on blanks will meet at the Arlington on Friday, September 28, at noon, continuing in session on Saturday. H. D. Appleton is chairman of that committee. Thos. D. O'Brien is chairman of the committee on uniform legislation, and A. I. Vorys has charge of the standard life forms. The reports of all three committees have been issued, and the two latter will meet at the Arlington on Monday, October 1. Communications should be addressed to the respective chairmen at the Arlington.

—Sylvester C. Dunham, president of the Travelers Insurance Company, has been elected governor of the Society of Mayflower Descendants in the State of Connecticut.

—William Bruce Mann, agency supervisor in New York for the Travelers, has just returned from a trip through New York State, where he has been effecting a thorough reorganization of the company's agencies. The work has been going on for some time, and its beneficial results are already visible in the form of a \$500,000 increase in this agency's paid life business for the first seven months of this year, and an increase of \$39,000 in accident premiums. The increase in liability business is also heavy. With the new machinery in full working order it is expected that the Albany agency will write \$800,000 this year, and corresponding increased production will be experienced in other towns throughout the State.

Casualty, Surety and Miscellaneous

Insuring Bank Deposits.

While the guaranteeing of bank deposits has been a topic of discussion among insurance men for a number of years, it is only recently that this form of underwriting has been practiced to any extent. At the present time there are three companies offering this form of protection. The American Bonding Company, the National Surety and the Fidelity and Casualty. The Bank Depositors Insurance Company was recently chartered in Virginia, and an association of underwriters in Philadelphia are preparing to guarantee payment of funds deposited in financial institutions. While numerous schemes have been promoted to furnish this protection, the new organizations have always failed to get fairly started, but the fact that three of the representative casualty companies have taken the matter up is evidence that this form of insurance is now to have a fair trial. It has been suggested that the Government guarantee bank deposits, but some of the men deeply interested in the subject assert very positively that this will not be done, as the banking interests do not wish it. This was evidenced at a recent convention of the Bankers Association, where it was said that the larger and more conservatively managed banks were opposed to any plan that would make poor, badly managed institutions as solvent as the first-class concerns. One banker said that "he did not propose to throw away the result of half a century of conservative efforts of his bank by making any other institution in the United States equally strong. Last year a bill was introduced in Congress proposing this governmental guarantee, but the bill was not reached. Chairman Fowler of the House committee on banking and currency had a provision in his earlier banking bills calling for this guarantee, but he has dropped the matter in his later bills. The strong banks vigorously object to being assessed for the benefit of the weak institutions, and they contend that governmental guarantee tends to place a premium on unsafe banking methods and the depositor has not the same incentive to exercise his judgment in the selection of a depository for his funds. It has been said that only depositors in weak institutions would seek this protection, but this is not altogether true, for many trustees, executors, administrators, guardians and treasurers would wish to protect themselves against possible failure of very strong institutions. Recent events in the financial world have shown how weak some of the most highly regarded concerns have been, owing to scandalous conduct of high officials. One surety company takes the view that the opposition by the banks is visionary, as in many cases they are compelled to give corporate surety to secure deposits of public funds, and statistics show that the average ultimate loss is about twenty-five per cent of the deposits in suspended institutions wound up by receivers. The United States Fidelity and Guaranty, as recently as last year, saw the following objections to the scheme of insuring bank deposits:

When a banking institution suspends payment, the surety bond immediately matures and must be promptly paid. This calls for a large amount of cash or quick assets to enable the bonding company to meet at once all demands, for if there should be any delay, the credit of the surety company would be impaired.

The assets of the suspended institution are locked up by the receivership from one to five years, and the surety company receives no interest upon the loss which has been paid and must wait upon the tedious routine of the liquidation of reimbursement.

If the lost interest upon the amount advanced be computed at the rate of four per cent per annum, there is some fear of the proposition being a profitable one, and as there are no statistics available as to the average duration of such liquidation we doubt the advantage of insuring private depositors at this time.

Employers Liability Assurance Corporation Issues New Policies

The above company has issued a new combination accident policy and a new disability policy which contain materially increased benefits. The new contracts have been made as simple in construction as possible and still cover a wide range of indemnity. The usual benefit is paid if death occur within 200 days of the date of the accident, instead of 90 days as is now the general rule, and weekly indemnity is provided up to the time of death, and also the cost of transportation of remains from the place where death occurred to the place of burial. This is an entirely new clause in accident policies. The usual benefits are paid for loss of limbs or eyes within 200 weeks from date of accident, and, in addition, weekly indemnity to the time of dismemberment or loss of sight. Twenty-five hundred dollars is paid for loss of one eye, whereas \$1000 to \$1700 is paid by most companies for this loss. The double benefit clause contains no restriction as to motive power. Five thousand dollars is paid for death by sunstroke, freezing, hydrophobia, asphyxiation, insanity or

paralysis, and \$25 weekly for the period between the date of accident and the date of insanity or paralysis. The policy also covers non-disabling injuries, identification, beneficiary insurance and quarantine.

Semi-Annual Statements of Casualty Insurance Companies.

Compiled from the semi-annual reports of casualty and miscellaneous companies licensed to transact business in the State of Georgia, for the six months ending June 30, 1906:

	Assets.	Liabilities, Including Capital.	Six Months, 1906.	
			Income.	Expenditures.
	\$	\$	\$	\$
Ætna Indemnity	1,171,172	931,228	297,375	323,693
American Bonding	1,693,651	1,287,953	347,450	318,326
American Surety	6,572,779	4,098,460	1,377,013	862,881
Continental Casualty	1,592,715	1,272,336	1,149,327	1,121,394
Employers Liability	3,371,800	3,025,300	1,274,792	1,191,188
Fidelity and Casualty	7,752,407	5,259,045	3,260,371	3,071,439
Fidelity and Deposit.....	6,251,376	3,448,918	821,225	740,476
Frankfort M., A. and P. G.....	1,394,166	1,239,422	636,453	423,359
Great Eastern	418,293	333,443	188,056	171,348
Guarantee Co. of North America..	1,379,145	472,978	155,836	117,130
Hartford Steam Boiler	3,900,118	1,945,437	854,518	694,089
Lloyds Plate Glass	885,626	569,390	239,868	228,264
London Guarantee and Accident..	2,026,079	1,761,869	669,614	610,067
Maryland Casualty	3,785,388	2,802,869	1,163,038	1,139,019
Metropolitan Casualty	651,461	485,999	277,933	276,548
National Surety	2,044,634	1,657,569	692,002	654,593
New York Plate Glass.....	736,864	461,181	244,065	235,327
North American Accident.....	455,484	323,986	301,934	267,370
Ocean Accident and Guarantee....	2,901,769	1,642,565	929,972	759,424
Pennsylvania Casualty	536,801	496,716	132,832	148,161
Preferred Accident*	1,347,176	1,020,350	677,531	664,102
Standard, Detroit	2,527,068	1,835,586	911,471	777,452
Title, Guarantee and Surety.....	1,566,608	1,265,349	397,098	333,011
United States Casualty.....	1,924,696	1,224,696	655,614	638,149
U. S. Fidelity and Guar.....	3,642,704	3,265,106	1,199,669	1,094,436
U. S. Health and Accident.....	561,183	420,307	401,488	369,048
United Surety	790,099	563,082	71,938	133,997

* Capital since increased from \$200,000 to \$350,000. † Including \$77,128 remitted to home office.

Pacific Coast Casualty Company.

The great earthquake and fire at San Francisco had no effect upon the lines of business transacted by the Pacific Coast Casualty Company of that city and as soon as it established itself in temporary offices at 2324 Claymore street the ordinary routine was quickly resumed. Its financial condition on March 31 last showed that its assets amounted to \$523,903, and there was a surplus on policyholders account of \$321,327. A couple of months later the company issued a list of investments owned by it, the values of which were made up by a leading member of the San Francisco Stock and Bond Exchange, showing that the company's financial strength had in no wise been impaired by the disaster. The company writes liability, plate glass and burglary insurance lines, confining its operations in the first named to the States of California, Oregon and Washington, while the other two lines are written in Kansas, Michigan, Minnesota, Missouri, Ohio and Pennsylvania. In these several States the company is meeting its expectations and will be able to show satisfactory progress for the year. The officers are: Edmund F. Green, president; John C. Coleman, vice-president; Franklin A. Zane, secretary.

Stock Quotations.

The following quotations of miscellaneous insurance stocks were made during the past week. American Surety, par \$50, bid 180, asked 185; Bond and Mortgage Guarantee, bid 390, asked 400; Lawyers Mortgage Guarantee, bid 188, asked 191; Lawyers Title Insurance and Trust, bid 285, asked 295; National Surety, bid 148, asked 155; Title Guarantee and Trust, bid 585, asked 600; Title Insurance Company of New York, bid 170, asked 180; Empire State Surety, bid 175, asked 190; Home Title Insurance Company, bid 200; Metropolitan Surety, bid 155, asked 175; Peoples Surety bid 135. United States Title Guarantee and Indemnity, bid 135; Kentucky Title, bid 135; Kentucky Title, real estate 5s bid 100, asked 105; Louisville Title real estate bonds, bid 100, asked 104. During the week twenty shares of Title Insurance Company of New York were sold at 174½, and forty-five shares Philadelphia Life Insurance Company at 23. Hartford quotations: Ætna Life, bid 450; Connecticut General, bid 225; Hartford Life, bid 140; Travelers, bid 975, asked 1050; Ætna Indemnity bid 50, asked 70; Hartford Steam Boiler, bid 220. In Baltimore twenty-five shares of Fidelity and Deposit were sold at 137.

What Does It Mean?

The following advertisement appeared last week in the want advertisement columns of a New York daily paper:

Fifty Thousand Dollars Profit.—The American agency of a British Casualty Insurance Company wants \$300,000 capital (cash or bonds), of which \$200,000 is held as United States deposit by New York Insurance Department, but property of company, \$100,000 in bonds held as surplus by trust company as trustees. Will consider applications from individuals with \$25,000 or more, or any gentleman or syndicate able to furnish deposit and surplus as above, will be granted half interest in American agency, also dividends from company's stock. Only four British companies of this kind in America. These companies pay dividends of 10 per cent, 12½ per cent, 17½ per cent and 25 per cent. Active business interests for investors preferred.

This advertisement has created considerable speculation as to just what is meant.

Casualty Notes.

- A mutual employers liability company is being organized at Hamburg, Ark.
- The Frankfort Marine, Accident and Plate Glass Insurance Company has decided to enter the industrial accident field.
- The Illinois Indemnity Association, a new casualty company, which has been under way for some time at Ottawa, Ill., has just been granted a charter.
- William C. Mulvey, New York resident manager of the Maryland Casualty Company, reports that August yielded the largest liability premiums of any month this year.
- Rumors are circulating to the effect that the National Surety is preparing to enter the liability field, but no official confirmation of this report has yet been made by the National.
- In about two weeks the rating committee of the Plate Glass Underwriters Association in this city will meet to consider changes and modifications of the schedule which went into effect July 1.
- Robert B. Armstrong, president of the Casualty Company of America, who is suffering from typhoid fever, remains about the same. To-day or to-morrow it is expected that the crisis in his case will be reached.

—Thomas G. Buchanan, resident manager in New York for the burglary department of the American Bonding Company, has returned to Baltimore, and Arthur W. Paine is temporarily in charge of this department.

—A special meeting of the stockholders of the United States Title Guaranty and Indemnity Company has been called for October 10 at 2 P. M., for the purpose of voting upon a proposition to increase the capital stock from \$1,000,000 to \$1,250,000.

—Manager Letzkus of the Philadelphia Casualty's New York office has, during the short time he has been in charge, opened accounts with over 100 brokers with whom the company has not heretofore done business. A number of good lines brought in during August made that month 100 per cent better than August, 1905, and September is running about thirty-five per cent in advance of September, 1905.

—The National Casualty Company of Detroit has taken over the business of the Northern Accident Company of Detroit and also the New York Casualty Company. W. G. Curtis, who was president of the two reinsured companies, becomes vice-president of the National Casualty. The company will enter Maine, Texas and Minnesota in the near future and has opened a Pacific Coast department under C. A. Hoge & Co. of San Francisco. Horace W. Corey of New York now has charge of the Eastern department.

—An organization designed to prevent the filing of false applications for life and accident insurance is to be formed by the superintendents of agents and agency managers in Chicago. In the past, many cases have been known where, as the result of collusion between the insured and the agents who submitted the applications, the companies doing business in the city have been subjected to considerable loss. The proposed organization will make it its business to keep its members informed of cases where agents are detected writing such business, and will keep a blacklist of such persons. Permanent organization will take place this week at a meeting to be held in the offices of the United States Life Endowment Company.

Surety Notes.

- Bonding companies in Cleveland, Ohio, are now writing the county depository bonds, amounting to something like \$1,500,000.
- An examination of the books of the United States Plate Glass Insurance Company of Philadelphia, made by the Pennsylvania Department as of August 31, shows income for the first eight months of 1906, \$184,-

256; disbursements, \$161,872; assets, including \$5877 not admitted items, \$238,703; liabilities, \$20,154; net surplus, \$118,549.

—The New York law which compels hotel proprietors and restaurant owners to furnish a bond demanded by the Forest, Fish and Game Commission, is a source of considerable revenue to the surety company.

—Within a short time surety companies will have an opportunity to contest for a contractor's bond on the new court house to be erected at Cleveland, Ohio. It will amount to between \$750,000 and \$1,000,000.

—Fair Dodd of Atlanta, Ga., general agent of the Aetna Indemnity Company, recently delivered a very interesting paper on "Surety Bonds" before the American Public Works Association at its annual convention.

—Daniel T. Hunt of Chicago, manager of the American Surety in Illinois, died suddenly on September 17. He was recognized as an able surety underwriter and had built up a substantial business for his company.

—The Empire State Surety Company has established a central department for all its lines, embracing Illinois, Indiana, Iowa, Wisconsin and Southern Michigan, to be put in operation on October 1, with George E. Cutler as manager. Mr. Cutler was for several years manager for the Frankfort Marine for the Central West, and recently was associated with Fred S. James & Co., in charge of the business of the Casualty Company of America.

—The Title Guaranty and Surety Company has entered Arkansas and appointed Arnold, Raines & Co. of Little Rock general State agents. Messrs. Sperry & Klein of San Francisco have been appointed general agents for Northern California, and Dan F. Carter of Los Angeles will continue as general agent for the southern part of the State.

—The American Surety Company has notified saloonkeepers and hotel proprietors bonded by the company that the excise department will take action in every instance where a slot machine may be found upon the premises of a liquor tax certificate holder. Unless these machines are removed, the company will apply for the cancellation of the proprietor's bond.

—The receiver of the State Agency Company of Indianapolis furnished a bond in the sum of \$260,000. It is said that the American Surety quoted a rate of \$600, provided the funds of the organization were placed under joint control. Several other companies quoted a rate of \$360 and the business finally went to the United States Fidelity and Guaranty. Its rate is said to have been \$99 without the joint control provision.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Allegheny Fire Insurance Company, Allegheny, Pa.

The company is to increase its capital stock from \$100,000 to \$200,000. The new stock will be issued at 150 per cent, thus adding \$50,000 to company's surplus.

Alliance Insurance Company, Philadelphia.

Semi-annual statement, July 1, 1906: Assets, \$2,034,688; net surplus, \$343,843.

American Central Insurance Company, St. Louis.

Semi-annual statement, July 1, 1906: Assets, \$4,228,314; reinsurance reserve, \$1,778,700; net surplus, \$173,154.

Atlanta Home Insurance Company, Atlanta.

Semi-annual statement, July 1, 1906: Assets, \$353,562; reinsurance reserve, \$66,214; net surplus, \$77,034.

Atlas Assurance Company, London.

Semi-annual statement, July 1, 1906 (United States branch): Assets, \$2,069,700; reinsurance reserve, \$1,070,822; net surplus, \$825,005.

Boston Insurance Company, Boston.

Semi-annual statement, July 1, 1906: Assets, \$4,823,538; reinsurance reserve, \$1,128,115; net surplus, \$2,350,126.

British America Assurance Company, Toronto.

Semi-annual statement, July 1, 1906 (United States branch): Assets, \$1,662,074; net surplus, \$600,326.

Commercial Union Assurance Company, London.

Semi-annual statement, July 1, 1906 (United States branch): Assets, \$6,652,272; net surplus, \$1,818,229.

Commonwealth Insurance Company, New York.

Semi-annual statement, July 1, 1906: Assets, \$1,515,952; reinsurance reserve, \$264,921; net surplus, \$529,735.

Federal Lloyds, Chicago.

Semi-annual statement, July 1, 1906: Assets, \$184,980; reinsurance reserve, \$78,615; net surplus, \$50,292.

German Alliance Insurance Company, New York.

Semi-annual statement, July 1, 1906: Assets, \$1,481,637; reinsurance reserve, \$358,597; net surplus, \$411,133.

German Mutual Fire Insurance Company, Chicago, Ill.

On January 1, 1906, the assets of this company amounted to \$116,311, comprising cash, \$4751; city of Chicago bonds, \$105,000; Cook county bonds, \$4000; Sanitary District bonds, \$2800; office furniture, \$69. It reported \$6 of liabilities. In 1905 its premiums and assessments amounted to \$4524, and its total income was \$8624. It paid \$2386 for losses, and its total disbursements were \$4516. It had \$2,682,349 of risks in force.

German-American Insurance Company, New York.

Semi-annual statement, July 1, 1906: Assets, \$15,955,159; reinsurance reserve, \$5,567,406; net surplus, \$4,416,347.

Germania Fire Insurance Company, New York.

Semi-annual statement, July 1, 1906: Assets, \$6,748,695; reinsurance reserve, \$2,903,058; net surplus, \$1,038,591.

Insurance Company of the State of Pennsylvania, Philadelphia.

An examination of this company, made as of September 5, 1906, by the Pennsylvania Insurance Department, discloses that the company then had admitted assets amounting to \$838,741, a capital of \$200,000 (reduced from \$400,000) and a net surplus of \$249,893. Its net premiums from January 1 to September 5 were \$241,296, and its loss payments aggregated \$102,645, the unpaid losses only amounting to \$13,499. The assets appear to have been conservatively valued, \$40,406 having been deducted from the book values of securities and real estate.

North German Fire Insurance Company, Hamburg.

The North German Fire of Hamburg has set up the following grounds, among others, upon which it expects to evade payment under its San Francisco policies: " * * * That the policy of insurance executed by the defendant and in said complaint referred to was subject to diverse conditions and exceptions, and the same are not set forth in the said complaint. It was among other things provided that this defendant should not be liable for loss caused by earthquake, and upon its information and belief alleges that the fire and the plaintiff's loss in the complaint referred to were caused by earthquake. It was provided that this defendant should not be liable for loss caused by order of any civil authority to prevent the spread of fire; and upon information and belief alleges that the fire and loss of the plaintiff were caused by the act of civil authority to prevent the spread of fire."

The above defense was made public through an answer filed in the Superior Court of the city and county of San Francisco, in a suit brought through the agency of the North German Policyholders Association, to secure payment of the face of a policy.

Peoples Fire Insurance Company, New York.

This company, which was chartered in May, 1906, is in process of formation. It is to have \$200,000 capital and an initial surplus of \$40,000, and we are advised by Secretary Daniel Woodcock that "subscriptions have already been received for a fair portion of the capital." It is the purpose of the company to have general agents for each State, conditional upon their subscribing for a limited amount of stock, and arrangements have already been made for a number of States, with several others pending. If these are carried through successfully it is anticipated that sufficient subscriptions will be received from other sources to complete the capital and surplus before the end of this year. The officers chosen for the Peoples Fire are: President, Geo. R. Weed; secretary, Daniel Woodcock; assistant secretary, Edward H. Faulkner. The directors include the officers, James A. Wylie, Andrew J. Willets, Wm. Durst, Hugh Talbot, Ernest P. Burritt, Joseph Faulkner, David K. Case, John B. Sabine, Edward D. Floyd, C. R. Swaney and D. N. Swaney. Most of the directors are also underwriters at the New York Insurance Association, which has done a restricted, though apparently profitable business, during over two years past, under the management of Daniel Woodcock & Co. Mr. Woodcock was for many years with the old New York Bowery Insurance Company, and has since been engaged in a general insurance business. He is to be the underwriting manager of the new company. The record he has prepared makes an excellent showing for the companies he has represented.

Southern States Fire Insurance Company, Greensboro, N. C.

The above-named company has been granted a charter in North Carolina. It has a capital stock of \$500,000, and will insure against fire, lightning and wind-storm. J. W. Scott, a director of the Home of Greensboro, is one of the stockholders.

United Firemens Insurance Company, Philadelphia.

At a recent special meeting of the stockholders of this company the proposition to increase the capital from \$300,000 to \$400,000 by the issue of 10,000 additional shares at 200 per cent, was unanimously adopted. This plan will give the company \$100,000 additional surplus.

S. R. WHARTON, Life Insurance Expert,

Not selling life insurance, but information about it. Full, accurate and impartial information on all branches of the business. Actuarial and statistical work for companies; literature and aids for agents; advice and assistance for policyholders. Letters of advice to agents and policyholders. Confidential. Send stamp.

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THE SPECTATOR:

THE SPECTATOR, established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.

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THURSDAY, OCT. 4, 1906.

No. 14.

VOLUME OF LIFE INSURANCE IN FORCE.

COMPLETE returns to the New York Insurance Department of the several classes of organizations writing life insurance, including ordinary and industrial legal reserve companies, fraternal orders and assessment associations, show that at the close of 1905 the total volume outstanding was \$17,213,155,085. Ordinary and industrial companies which hold full legal reserves had in force \$12,766,640,776 or over 74 per cent of the total; fraternal orders held \$4,211,320,329 or 24.5 per cent; the remaining \$335,193,980 or 1.9 per cent being in assessment organizations—more than 70 per cent of it in one concern. The gain in amount in force for the year was \$691,629,197, nearly all of it in legal reserve companies.

In the accompanying table, showing the progress made by the several groups of organizations, it is apparent that despite the turmoil incidental to the life insurance investigation of last year the legal reserve companies made remarkable gains. The ordinary business written was less than 10 per cent behind the previous year, but the terminations were much greater, showing that many thousands of policyholders were foolishly scared into dropping their policies. The gain compared with the business written was but 30 per cent as against more than 40 per cent in the previous year. Industrial companies made gains in both the volume of new business written and increase of amount in force as compared with 1904, which is certainly a satisfactory showing.

Owing to a heavy lapse rate in one of the leading fraternal orders, that class shows an actual decrease in the amount in force at the close of 1905, although the new certificates issued were greater in amount than in the preceding year. Several orders have been experiencing difficulties of late years in retaining their members, and it begins to look as though the high-water mark for this class of business has been touched.

Assessment life insurance is now confined practically to one organization, as may be seen from a comparison of its figures with the totals given in the table for twenty-three companies.

This large company wrote new business of \$43,130,000, gained \$31,734,000 and has in force \$254,170,000.

COMPANIES REPORTING TO NEW YORK.

		1905	1904.
Old Line Companies*—			
New business written.....	\$1,733,101,511		\$1,884,826,365
Increase in insurance in force.....	525,748,974		786,817,550
Total insurance in force.....	10,553,839,955		10,028,090,981
Industrial Companies—			
New business written.....	608,024,580		587,957,700
Increase in insurance in force.....	159,723,607		151,814,591
Total insurance in force.....	2,212,800,821		2,053,075,214
Fraternal Orders—			
New business written.....	494,079,807		444,589,910
Increase in insurance in force†.....	—26,638,028		23,927,839
Total insurance in force.....	4,211,320,329		4,240,034,828
Assessment Associations—			
New business written.....	50,062,498		44,368,122
Increase in insurance in force†.....	32,792,654		21,543,068
Total insurance in force.....	335,193,980		325,718,555

* Industrial insurance excluded. † Only existing associations are included.

ANTI-COMPACT LAWS.

AN anti-trust law embracing fire insurance companies appears to have been enacted this year by the Mississippi Legislature, and to have gone into effect on October 1, although the pamphlet entitled "Insurance Law of the State of Mississippi as Enacted by Special Session of the legislature, 1906," makes no mention of such a provision. The synopsis of its requirements which we have seen indicates that it prohibits a company operating in Mississippi from being or becoming a member of or party to any pool, trust, combine, confederation or understanding, whether same is made in that State or elsewhere, with any other corporation, partnership, individual, or with any other person or association of persons, to regulate or fix in that State the price or premium to be paid for insuring against loss or damage by fire, lightning or tornado, or to maintain said price when so regulated or fixed. With a penalty of \$200 to \$5000 for each offense facing the companies, and with each day's membership constituting a separate offense, co-operation in Mississippi would seem to be too expensive a luxury for most companies to indulge in. During the period of twenty-one years ending with 1905, the average loss ratio in Mississippi has been about sixty-three per cent, which indicates an underwriting loss on the growing business in that State; and in 1904, the Yazoo City conflagration run the loss ratio up to 87.5 per cent. In addition, the high fees and taxes payable in Mississippi have helped to make the business therein more unprofitable than in other States, so that there remains little incentive, other than company prestige, for doing business in Mississippi. When the companies fail to secure living rates for their indemnity when at liberty to co-operate, the chances of their making a profit with an anti-compact law in effect are considerably lessened. Companies continuing in business in Mississippi should insist upon collecting at least the rates heretofore current, with possibly an additional percentage to offset the handicap of their inability to hereafter be guided by the combined experience of all the companies.

* * * * *

Apropos of the Mississippi enactment, it is reported that commercial bodies in Arkansas will endeavor to secure the

repeal of the drastic anti-compact law in that State, which has caused their members much trouble, and has brought about a considerable shortage in the supply of insurance. On the other hand, dissatisfaction on the part of the insured in various other States, occasioned by the rate advances made or anticipated on account of the San Francisco losses, has led to threats that anti-compact bills will be introduced at legislative sessions this coming winter. Underwriters should prepare themselves in advance to forestall or combat such inimical legislation to the best of their ability. Forewarned is forearmed.

ALTHOUGH for several weeks following the San Francisco disaster, what were then deemed reasonable estimates of the insurance losses placed the aggregate at \$120,000,000, the actual payments have now mounted to between \$135,000,000 and \$140,000,000, and there are still a considerable number of unadjusted and disputed losses to be settled. The tremendous burden thus thrown so unexpectedly upon the insurance institutions, while it crushed a few of them, has been borne uncomplainingly by many of them, although their stockholders will feel the effects for many a year to come. The capital of a fire insurance company is intended as a safeguard to protect policyholders during periods when the premium contributions are insufficient to meet the losses and expenses; it is not invested with the intent or expectation that it shall be at all encroached upon for the payment of losses or expenses, such payments, together with a reasonable compensation for the risk assumed by capital, being proper functions of the premium income. The stockholders in some companies, however, have not only used all their capital and their surplus accumulations, but have, in addition, paid in several times the amount of their original capital to enable companies to meet their San Francisco loss obligations and continue in business. These stockholders are justly entitled to have their advances made good out of future premiums; but even if premium rates are generally advanced throughout the country, it will take years to accumulate and distribute sufficient surplus funds, while still maintaining the corporate strength at a proper level, to reimburse the stockholders. It is to be hoped that the insured will not make the recuperative process unduly difficult.

THE thirty-seventh annual session of the National Convention of Insurance Commissioners, meeting at Washington this week, has more important questions before it for consideration than have yet been presented at any similar gathering. Various standing committees have devoted time and energy to the preparation of their reports, the most important of which deals with uniform blanks for annual statements. The committee on blanks has also prepared a gain and loss exhibit for life insurance companies which it is proposed hereafter to incorporate in the uniform blank. Interest will chiefly center, however, in the reports on uniform legislation and standard life policies emanating from committees appointed at a conference of Governors, Attorney-Generals and Insurance Commissioners held at Chicago last Feb-

ruary. A skeleton outline of that report was given in THE SPECTATOR last week, showing that the uniform bills suggested do not follow closely the amendments to the insurance code of New York passed last winter. While the New York law limits the volumes of new business to be written, restricts the expenses chargeable to new business and forbids preliminary term contracts, substituting therefor the select and ultimate method of valuation, the committees of the Chicago conference make no reference to such limitations and permit under the standard form preliminary term contracts. On the whole, the recommendations of the committees referred to are much more conservative than the New York law and it remains to be seen whether the radical element in the convention—and there is a decidedly radical element—will be successful in putting through more stringent requirements. It is certain that the proposed uniform laws have been drafted with more care than the Armstrong bills, some six months having been devoted to the task instead of less than six weeks, and every factor has been carefully considered. Should the convention adopt the report as presented it will prove a strong argument for the modification of the New York law, the necessity for which is already conceded.

THE terrible hurricane that swept over the Gulf States last week carried death and devastation in its path. Crossing from the West Indies, it hurled the waters of the gulf upon the shores, engulfing towns and cities and converting the country for miles into destructive lakes. Many persons were drowned in the outlying plantations and some in the streets of the inundated cities. Mobile and Pensacola were the greatest sufferers from the destruction of property, but the loss of crops in the farming districts is reported as being enormous. Much suffering among the poor followed the loss of their homes and the means of supporting life. The hurricane lasted three days, the wind attaining a velocity of seventy to eighty miles an hour, and was accompanied by a heavy down-pour of rain, which did great damage to the railroads. For a time all communication with the devastated cities was cut off, and details of the disaster were greatly delayed, but the latest reports show that the destruction was more widespread and fatal than was reported at first. The approach of this hurricane was announced by the weather bureau several days before it struck the shores, but, of course, nothing could be done to check it. Some lives might have been saved had the people sought refuge in the high lands, but the warnings they had received apparently were ignored. Insurance companies, except, perhaps, some carrying lines on vessels which were stranded or otherwise damaged, are not likely to be losers by this disaster, to any serious extent, as few insure in that locality against wind storms of any character. This year will long be remembered as one of great disasters, and nearly every quarter of the globe has had its full share of them.

The St. James building has been transferred by the Security Trust and Life to the Pittsburgh Life and Trust Company for \$3,150,000. Of this amount \$1,359,000 is represented by a mortgage. The transfer of the property is incidental to the sale of the Security Trust and Life to the Pittsburgh Life and Trust, the real estate figuring as one of the assets of the former corporation.

LIFE INSURANCE TOPICS

BOSTON AND VICINITY.

Life insurance men of prominence appeared at the hearing of the special recess committee of the legislature, Thursday, relative to the amendment of the law applying to a standard form of policy. Suggestions along that line were offered by F. S. Elwell. He referred to the work of the Armstrong committee, and intimated that similar reforms were desirable here, particularly in making standard the various contracts.

Other prominent life insurance men who appeared were: President Hull of the Berkshire; Actuary Sartelle of the State Mutual; Reginald Foster of the New England; O. B. Ireland of the Massachusetts Mutual; Colonel Rand, R. O. Lamb and W. S. Smith, actuary, of the John Hancock; J. M. Hallowell of the Columbian National; Samuel Davis of the Phoenix Mutual.

Louis L. Hopkins, one of Boston's best known and most prominent life underwriters, has been nominated for member of the executive committee-at-large of the Boston Associated Board of Trade.

NOTES FROM PHILADELPHIA.

Ernest K. Shubert, of the firm of Shubert, Swan & Odiorne, Philadelphia representatives of the Ocean Accident and Guarantee, severed his connection with that concern on the 1st, to accept a position with the General Accident Assurance, as executive representative of the liability department. It is not expected that there will be any change in the name of Mr. Shubert's old firm, which, besides representing the company above named, does a considerable fire insurance agency business as the representative of three companies.

On September 27, a jury in the Camden Circuit Court gave one of the largest verdicts ever given in New Jersey for personal injuries, when Jesse N. Wickizer was awarded \$25,000 damages against the Atlantic City Railroad Company. Wickizer brought suit for injuries received last April while building a bridge over the Tuckahoe river. A gravel train of the defendant company, in disregard of red flags, dashed on the bridge and knocked Wickizer off, fracturing his skull and injuring him so that, it is claimed, he will live only a few years at the most.

THE WEST.

Ohio Notations.

[FROM OUR OWN CORRESPONDENT.]

At the instance of the Cleveland Association of Life Underwriters a warrant has been issued for the arrest of Hamilton L. Perrine, said to be a special agent of the Equitable of New York, on the charge of soliciting business in Ohio without a license. The threatened prosecution grew out of an altercation between Mr. Perrine and R. L. Ireland of M. A. Hanna & Co., in which the latter claimed Perrine had failed to return to him a certain portion of \$7000 commission he was to receive on a policy of \$200,000 that Ireland had taken through Perrine. The chairman of the executive committee of the local association wired to the Insurance Department and was informed that Perrine had no license. His attorneys say that he is not the agent of the company, but acted as a broker and placed the business through a regular agent. The law applies to brokers and agents alike, however, and the case against the man appears to be a good one. However, one of the courts in Cleveland some time ago rendered a decision to the effect that the law which requires outside companies to secure licenses for their agents and exempts State companies is unconstitutional. The case was not carried up, although it caused quite a little comment.

A question has arisen in this State as to the validity of a policy on the life of a man who has been sentenced to execution for murder. Dr. Oliver C. Haugh of Dayton, now in the annex of the penitentiary awaiting execution, holds a policy of \$5000 in the Union Central Life in favor of his wife. Mrs. Haugh has asked if she shall pay the premium which soon becomes due or whether the contract has been invalidated. Haugh claims that the policy is incontestable and that the company will owe his wife the amount when he is executed. An agent of the company has

set up the claim that the policy is invalidated because the man will have lost his life through violating the laws of the State. O. M. C. Cleveland, September 29.

—Joseph H. Harrison of Denver is a candidate for the Colorado State Senatorship on the Republican ticket.

—The Illinois Indemnity Company, a fraternal organization of Ottawa, Ill., was authorized to begin business on Sept. 10.

—Actuary Walter C. Wright has been retained by the Indiana Department to investigate the life insurance conditions in Indiana.

—The Commercial Life of Indianapolis, incorporated last June, has deposited \$25,000 with the Auditor of State, has written the required amount of business, and has been licensed in Indiana.

—Justin G. James, formerly agency superintendent in the St. Louis office of the Germania Life, and August Goerts, formerly general agent of the Germania in St. Louis, are organizing the Universal Life, which they hope to have started about January 1. The plan is to sell insurance without the intervention of agents.

—The Wisconsin Department has revoked the license of the National Protective Legion of Waverly, N. Y., and the Modern Protective Association of Sayre, Pa., in accordance with the opinion of the Attorney-General, who holds that the two corporations are doing an investment business and are not complying with the laws governing the operation of fraternal beneficial societies.

—Suit for \$250,000 has been filed in the United States Circuit Court at Chicago by Robert S. Tiernan and Howard L. Stout against the Chicago Life as a result of the reinsurance of this company in the Federal Life. Plaintiffs declare they have contracts with the Chicago Life in which it is provided that no such transfer shall be made unless they are first notified, and the alleged breach of contract has resulted in a loss to them equal to the amount asked for in the suit.

—The contract of reinsurance of the Chicago Life by the Federal Life is understood to be based upon the persistence of the business taken over. If it remains in force the Chicago Life stockholders will realize more than they would if the usual lump commission was paid down. Instead of paying a cash sum down, the contract agrees to pay monthly all the receipts of the reinsured business above the net premium, deducting only direct taxes paid on the reinsured business and renewal commissions provided for under Chicago Life contracts.

—William M. Fleming, formerly of the firm of Allenberg & Fleming, State agents for the Equitable Life in Washington, has just been appointed superintendent of agencies for the Guardian Life of Seattle. While with the Equitable, Mr. Fleming was very successful, and built up a large business on the Pacific Coast, and the Guardian is therefore fortunate in having secured him to look after its agency work. The Guardian is a new company, starting out under very favorable conditions, and for the present will confine its operations to the State of Washington.

—E. C. Million and Philip W. Samuel, executors of the estate of the late Joshua Burdette of Eufaula, I. T., have commenced action against the Penn Mutual Life Insurance Company to compel payment on a policy of \$100,000, and a similar suit against the Provident Savings Life on a policy of \$35,000 which it is alleged the company has refused to pay. The companies hold the opinion that Burdette may have killed himself, the manner of his death being wrapped in mystery. Plaintiffs claim that he was shot in his yard by unknown persons. The Penn Mutual has had a well in the Burdette yard partially dredged, believing that the revolver with which Burdette committed suicide is in the well. When machinery was brought to complete the dredging the executors of the estate prevented it. Burdette is said to have expected assassination, and had been expecting it for years, which is proved by the fact that he frequently mentioned his fears to his friends. Burdette was one of three very wealthy men in the Indian Territory to be killed, ostensibly by hidden assassins, within the current year, the last one being Cicero Davis of Purcell, a wealthy cattleman.

MISCELLANEOUS LIFE NEWS.

Life Insurance Developments of the Week.

Interest in life insurance affairs in this city have centered around the campaign for control of the Mutual Life and the discharge of several prominent managers of that company owing to differences arising between them and the administration. Herbert N. Fell, one of the managers whose contract was canceled because he would not pledge himself to work for the administration ticket, came back at the agency committee by making public a letter which he had written to an English policyholder last spring, and which, according to Mr. Fell, had President Peabody's express approval. In this letter Mr. Fell stated that all the old trustees had been legislated out of office and an entirely new board was to be elected by the policyholders. He gave the personal opinion that none of the old trustees will seek re-election. This letter, Mr. Fell says, was submitted to Vice-President McClintock who said he wanted to show it to President Peabody, which was done.

The trustees of the company met last week and some protest was made as to the manner in which the agents who would not support the administration ticket had been treated, but this was overcome by the ar-

gument that strict measures were necessary. James C. Colgate, the head of the association recently formed in the interest of the administration ticket, has announced that the executive committee of the organization would be composed of W. F. Harrity of Philadelphia; Henry Siegel, Edwin Holbrook and Dr. E. L. R. Gould of New York; Narcisse Perodeau of Montreal; Edwin W. Robertson of Columbus, S. C.; Douglas Robinson of New York, and Dr. O. Thompson of Columbus, Ohio. Headquarters have been opened in the Gallatin National Bank building, at 36 Wall street.

Supreme Court Justice Bischoff has denied the application of Robert A. Granniss, a former vice-president of the Mutual Life, for a bill of particulars and an order directing the company to amend its complaint in an action brought to recover \$900,000 alleged to have been expended by Mr. Granniss illegally and wastefully.

Edward O. Sutton, manager of the Mutual Life at Springfield, Mass., who refused to sign the pledge required of all the agents to support the administration ticket, forestalled his dismissal, which is said to have been inevitable, by resigning. Later in the week it was said that the management of the Mutual had deferred action in regard to several other prominent managers who were known to be unfavorable to the administration ticket and that steps had been taken to avoid, if possible, alienating any more groups of policyholders.

The candidates nominated on the united ticket for trustees of the Mutual Life will endeavor to perfect an organization of their own to co-operate with the international committee and the Mutual Life Policyholders Association through the central organization which the candidates will themselves afford.

Both policyholders organizations met at the Waldorf-Astoria on Tuesday to perfect the plans. Ex-Governor Paige of Vermont has been chosen chairman of the united ticket candidates, and Col. George H. Hopkins of Boston the secretary.

The Michigan policyholders organization adopted resolutions last week condemning the action of the administration in discharging Frederick C. Paige and James F. Ferre, the latter manager at Worcester, Mass., who was ordered to take charge of the Springfield office as successor to Edwin O. Sutton, has refused his support to the administration ticket and has resigned.

Col. Biscoe Hindman, the Mutual Life's general agent at Louisville, Ky., who was nominated on the selected fusion ticket as a trustee, arrived in New York last Saturday and held an interview with President Peabody. He made public a statement of what transpired, in which he said in part:

In this connection I asked President Peabody whether he would decline to serve if he should be elected and a majority of the administration ticket should fail of election, or if the selected fusion ticket should be elected, and he replied positively that he would so decline. I then asked him if he would decline to serve if elected in case the fifteen old trustees of the McCurdy regime should fail of election, and he replied positively that he would so decline because this would still leave him in a board of trustees representing other influences.

The ballot to be used in the election will present the three tickets side by side, with the administration ticket in the first column, the united ticket in the second, and the selected fusion ticket in the third. The law provides no specific way in which the ballots must be marked, and there remains therefore much chance for confusion both in the actual marking of the ballots and in the interpretation of the "intent" of the policyholder.

National Convention of Insurance Commissioners.

TWENTY-SEVENTH ANNUAL SESSION AT WASHINGTON, D. C.

[Special Report to THE SPECTATOR.]

Washington, D. C., October 2.—Preceding the gathering of the National Convention of Insurance Commissioners to-day, a majority of the members attended lengthy sessions of the committee of fifteen, appointed at Chicago last February, on Monday. The questions up for consideration embraced the uniform bills for life insurance companies, referred to in THE SPECTATOR last week, and the standard forms of life insurance policy. At 10:30 the conference was called to order, and, with the exception of two short adjournments for refreshments, the sessions were practically continuous until 2 o'clock this morning. Delegations were on hand representing the National Association of Life Underwriters, the Actuarial Society of America for the companies and many company officials and representatives. There was much discussion, some of it more or less heated, over the report of the sub-committee on standard forms of policies and standard provisions, the upshot of which was the approval of the standard life form, changes in the phraseology of some of the provisions and the reference of other provisions to sub-committees for revision. On reassembling this morning the conference was addressed by Arthur I. Vorys, chairman of the sub-committee on standard forms and provisions, who explained that owing to the many differences in

opinion more time should be devoted to a consideration of the report, so that when the forms and provisions were presented to the legislatures they would be as nearly perfect as human ingenuity can make them. He therefore offered the following resolution:

Resolved, That the report of the committee of fifteen appointed at the Chicago conference be received and referred back to the committee with instructions that it meet on or before November 15, 1906, at Chicago, Ill., and promulgate its conclusions before December 15, without any further meeting of this conference.

Some debate ensued as to the necessity of taking prompt action and a resolution to strike out standard forms and recommend standard provisions was defeated. Finally the resolution was passed and the subject which was expected to occupy most of the time of the convention was disposed of.

THE NATIONAL CONVENTION.

At 12:45 P. M., President J. V. Barry called the thirty-seventh session of the National Convention of Insurance Commissioners to order and expressed regret at the absence of Commissioner Cutting of Massachusetts through illness, and also of Deputy Harbison of the same State, who, a few days ago, suffered the loss of his only son, a lad of eighteen. Mr. Barry congratulated the gathering on the large attendance, which, though not as large as last year, was above the average. He then presented Henry B. F. Macfarland, president of the Board of Commissioners of the District of Columbia, who in a brief speech welcomed the gathering to the city. During his address he took occasion to refer to the model insurance law which it is hoped to adopt for the government of insurance companies in the District.

Mr. Barry responded briefly to the cordial words of welcome and then read his annual address as president, extracts from which are given herewith:

In entering upon a discussion of needed legislation we should not, it seems to me, lose sight of the fact that every evil cannot be cured by legislative enactment. It is probably true that at every session of the legislature of every State in the union there are presented bills which have their origin in the fact that either the authors or their clients have been recently defeated in a lawsuit. It would be folly to undertake to enact remedial legislation every time a man fails to exercise ordinary care or common sense in the transaction of the business affairs of life. If, when taking out a policy of life insurance, a man would exercise the same caution and judgment that he does when trading horses or purchasing a suit of clothes, there would be no such outcry for legislation to protect the policyholder as we have heard during the past year. But we must recognize the fact that this degree of caution and judgment never has been exercised by the insuring public and doubtless never will be. For this reason there is a just demand and a necessity for further legislation and regulation, which, while encouraging competition and preserving as far as possible the right of contract and freedom of management, will still prevent companies from taking advantage either of the ignorance or indifference of their policyholders. The time will never come, in my judgment, when the companies will successfully be managed either by statute or supervision. Business management is not the province of either of these agencies. That, in the last analysis, must necessarily be left to the honesty and judgment of the administrative officers of the company held, by publicity, to strict accountability to their policyholders.

My individual judgment is that the great remedy for whatever evils have thus far been found in insurance, or whatever evils may be found in the business in the future, lies in full and complete publicity. * * *

The day of the vast unassigned surplus with its consequent extravagance, deceptive estimates and responsibility of management has passed. With it, of course, has gone the deferred dividend. * * *

There nevertheless remains needs for strict and frequent accountability to the policyholder under every policy issued in the past or to be written in the future. The vast surpluses already accumulated, together with their future accretions, belong to the policyholders of the past. Two wrongs never made a right, and now is the time to make provision against any possible attempt to use or manipulate any portion of these funds for the purpose of favoring, through annual dividends or otherwise, future policyholders who have made no contribution thereto. This, in my judgment, is one of the vital questions which the members of this convention will be called upon to consider.

The passing of the deferred dividend has opened the way for the exploitation in some quarters of new schemes which have the same characteristics in the way of wild and grossly extravagant estimates of earnings, manipulation of funds, etc., that led to the general condemnation of the former system. This evil should be guarded against in whatever form it may appear.

A law providing for a uniform policy and for other policies embodying certain statutory provisions and which eliminates from the latter contracts specified provisions deemed to be obnoxious should, I believe, be recommended by this convention. I would not favor a uniform policy law which does not provide for the issuing of other forms of policies which conform to specified statutory requirements. A law making the provisions indicated, while giving to the people what at the time are considered the best forms of policies, would afford opportunity for the genius of the actuary and manager to assert itself in behalf of the policyholders through the formulation of enlarged options or more liberal provisions.

The need for strict provisions governing the investments of insurance companies and the accumulation and use of idle funds is apparent. Each State must necessarily govern the investments of its home companies, and whatever recommendations are made in this regard should be accompanied with provisions for modifications to conform to varying conditions in the different States. It is evident that a class of investments

which might be objectionable in one State would, for local reasons, be quite acceptable in another. * * *

The fraternal beneficiary societies of the country, which furnish the masses with protection, are entitled to our most careful and thoughtful consideration. They have accomplished great good in the field which they occupy, and there is not one among us, I sincerely trust, who is not in full sympathy with their aims and purposes. Whatever of legislation is necessary for their preservation and perpetuity must, in my opinion, be secured through their co-operation. The members of this convention can, by exacting annual statements which will educate the officers and members of these societies and the general public as to the faults which must be corrected if these societies are to be perpetuated, do much in the direction of accomplishing the desired end. * * *

In spite of attacks that have been made upon the system of State supervision of insurance, notwithstanding the mistake it has made, my faith in its efficiency is more firmly established than ever before. Banks and trust companies, whether under State or Federal supervision, fail on every hand and their victims are to be counted by the thousands. Attorneys and others in whose keeping are placed the trust funds of widows and orphans defalcate every year. It is a fact well worthy of note that investigation after investigation made at the instigation of varying interests, has shown that every dollar of securities and funds claimed in their published statements by life insurance companies recently under fire is intact. The solvency of these companies cannot be questioned and their ability to carry out every contract with every policyholder is conceded.

While life insurance has been making gigantic strides in this country during recent years, State supervision has perhaps looked too much to the abstract question of solvency. The absolute solvency of the present system having been proven by the storm through which it has recently passed, it remains for us to provide against all possibility of a repetition of the evils which crept into this system during a period of marvelous activity and development.

Confronted as I am by high-minded men, gathered together from all sections of our glorious country, men who represent State supervision, I emphatically affirm my faith on that supervision and my confidence in its ability to rise to every occasion.

Roll call by Secretary Brinkerhoff showed the following to be present from twenty-seven States: Colorado—E. E. Rittenhouse, Deputy Superintendent. Connecticut—Theron Upson, Commissioner; J. H. Woodward, actuary. Delaware—Geo. W. Marshall, Commissioner. District of Columbia—Thos. E. Drake, Superintendent; Daniel Curry, examiner; G. W. Ingham, statistician; W. S. Hall, clerk. Georgia—W. A. Wright, Controller. Illinois—W. R. Vredenburg, Superintendent; J. J. Brinkerhoff, actuary; O. B. Ryan, special attorney. Iowa—B. F. Carroll, Auditor. Kentucky—H. R. Prewitt, Commissioner. Maine—Stephen W. Carr, Commissioner. Maryland—B. F. Crouse, Commissioner; Jas. E. Green, chief clerk. Massachusetts—C. W. Fletcher, examiner. Michigan—J. V. Barry, Commissioner; N. B. Hadley, Deputy Commissioner. Minnesota—Thos. D. O'Brien, Commissioner. Mississippi—W. L. Cole, Commissioner. Montana—Hy. R. Cunningham, Auditor. Nebraska—J. L. Pierce, Deputy Auditor. New Hampshire—Geo. H. Adams, Commissioner. New Jersey—D. O. Watkins, Commissioner. New York—H. D. Appleton, Second Deputy Superintendent. Ohio—A. I. Vorys, Superintendent; S. E. Stillwell, actuary; D. S. Cramer, Fire Marshal. Pennsylvania—S. W. McCulloch, Deputy Commissioner; R. E. Foster, actuary. Rhode Island—Chas. C. Gray, Commissioner. Tennessee—Reau E. Folk, Commissioner. Texas—W. J. Clay, Commissioner. Virginia—Joseph Button, Commissioner; C. G. Taylor, Jr., actuary. West Virginia—A. C. Scherr, Auditor. Wisconsin—Zeno M. Host, Commissioner. Also Ohio legislative committee, Messrs. Stewart, Ward, Pears and Ritter.

There was a large attendance of visitors representing life and casualty companies as well as agents, among whom were: Joseph Ashbrook, L. G. Fouse, F. J. Moore, Horace Meininger, R. S. Keelor of Philadelphia; Charles W. Scovil, Ralph Butler of Pittsburg; R. F. Shedden of Atlanta; John T. Stone, C. J. Clark, John T. Whelan of Baltimore; John K. Gore and W. E. Rhoades of Newark, N. J.; Wm. Bro Smith, F. C. Betts and Walter C. Faxon of Hartford; D. C. Curtis of Detroit; H. G. B. Alexander and A. W. Masters of Chicago; Col. C. P. Ellerbe of Missouri; Louis H. Fibel, Wilfred C. Potter, Edson S. Lott, Geo. E. Taylor, Wm. A. Moore, Geo. Pratt, Harry Gilbert, R. K. Hubbard, W. C. Johnson, J. M. Craig, Joel G. Van Cise, Arthur Hunter, W. Pierce, Philip H. Farley, R. E. Cochran, Norris Sutherland, S. H. Wolfe of New York, and the following insurance journalists: C. A. Jenney, The Weekly Underwriter; H. D. Sammis, The New York Commercial; H. C. Sommers, The Insurance Record; A. G. Hall, The Surveyor; W. I. Cornell, The Insurance Press; E. J. Wohlgenuth, The Western Underwriter; F. C. Oviatt, The Philadelphia Intelligencer; J. C. Bergstresser, The Insurance World; J. H. McClellan, The Baltimore Underwriter; Max Cohen, The Views, and Wm. S. Barnaby, The Spectator.

A telegram from J. R. Young, Insurance Commissioner of North Carolina, was received stating his inability to be present owing to death in his family.

The programme for the afternoon having been canceled by reference back to the committee of fifteen of the results of the Chicago conference, it was determined to meet at 3:30 for the purpose of listening to an address on the question of limiting surety bonds.

AFTERNOON SESSION.

President Barry called the afternoon session to order at 4 P. M. and announced changes in the several committees, made necessary by absence of original representatives.

A telegram from the American Life Convention, which met at Chattanooga last week, was received expressing opposition to the proposed standard forms of life policies in their present shape, and asking that further time be given for consideration. The matter was referred to the committee of fifteen. Another telegram from the National Fraternal Congress commended to the meeting Benj. F. Smith, Abb Landis and D. P. Markey, representatives of congress.

J. T. Whelan of Baltimore then addressed the convention at length on the necessity for a uniform law limiting surety bonds and submitted the following as a draft of such law:

Whenever any person or corporation who now or hereafter may be required or permitted to give a bond applies for the approval thereof, any officer or body who is now or shall hereafter be required to approve the sufficiency of such bond shall accept and approve the same whenever its conditions are guaranteed by a company or corporation duly organized or incorporated under the laws of this State or authorized to do business therein; and which company shall have the certificate of the Insurance Commissioner of the State authorizing it to do business therein; provided, however, that no security shall be accepted on any bond for an amount in excess of ten per cent of the paid-up capital plus the surplus and undivided profits of such surety company or corporation unless the surety shall be secured from loss thereon beyond that amount by suitable and sufficient collateral agreements of indemnity other than the principal on said bond or by deposit with it in pledge or conveyance to it in trust for its protection of property equal in value to the excess of its liability over such limit, or if such liability is incurred in behalf of or on account of any fiduciary holding property in a trust capacity, by such deposit or other disposition of a suitable and sufficient portion of the estate so held that no further sale, mortgage, pledge or other disposition can be made thereof without such surety's approval; and provided further that by the execution of such bond the surety shall not thereby incur in the aggregate on behalf or on account of any one person, partnership, association or corporation a liability for an amount larger than one-tenth of its paid-up capital plus its surplus and undivided profits unless it shall be secured from loss thereon beyond that amount by suitable and sufficient collateral agreements of indemnity or other protection as hereinbefore provided.

A. I. Vorys submitted the uniform law prepared by the Board of Casualty and Surety Underwriters and moved that the section covering casualty companies be referred to the committee on laws and legislation. An adjournment was then had until Wednesday, at 9 A. M.

At the morning session on Wednesday the report of the committee on blanks was submitted. The following is the interesting part covering the life blank:

The annual statement blank for life companies has, so far as your committee knows, been used by all departments since its adoption at Columbus in 1902, and in the form recommended by the convention.

During the past year there have been radical changes in the form of statement that must be required by the New York Department under the provisions of section 103 of the acts of 1906. The committee has carefully considered the 1906 statutes of New York, but did not deem it advisable to recommend to the convention all of the changes that would be made necessary in the annual statement for life companies by the new statutes of that State. In order that a uniform blank might be maintained, the committee selected from the New York law such of its provisions as in its judgment the most, if not all, of the Commissioners represented in this convention would desire to have incorporated in the annual statement blank used by their respective departments.

The New York Department, for the purpose of preserving uniformity, proposes to prepare its annual statement blank in two sections, to be known as "part A," the convention edition as adopted at this session, and "part B," which will include all the requirements of the new law of New York not adopted by this convention.

It is believed by your committee that the majority of this convention will not desire the whole, if any, of part B. If, however, any Commissioner desires the information required by part B of the New York statement, he is, we assume, under the statutes of his State authorized to require the same. We do not, however, recommend the adoption of part B by this convention.

Part A, which is herewith submitted, and which your committee recommends be adopted as the convention edition of the annual statement blank for life companies (without, however, being distinguished as "part A") has been modified as follows:

Page 1—Amend to include the names of directors of the company.

Income.—Same changes as proposed for the fire blank.

Disbursements.—Same changes as proposed for the fire blank.

Non-Ledger Assets.—Same change as proposed for the fire blank.

Liabilities.—Add after the line "Premiums paid in advance," etc., "Interest and rents paid in advance." Substitute for the item "Dividends apportioned payable to policyholders subsequent to 190," etc., the following: "Amounts set apart or provisionally ascertained or calculated or held, awaiting apportionment upon deferred dividend policies. (Give amounts separately for years and classes.)" Add a new item to read as follows: "Reserve or surplus funds not included in 'net reserve' as herein reported or in the 'unassigned funds' per line 32. (Give items and amounts separately, and state for what purpose each of said funds is held.)"

Schedules.—Add "Schedule of all other deposits" as in fire blank.

Schedule A.—Divide into three parts, covering requirements of subdivision (1) of section 103 of New York law, as shown in the blank herewith submitted.

Schedules C and D.—Same additions as proposed for the fire blank.

It is also proposed to add the following new schedules:

Salaries and other compensation of officers and directors (see page 15).

Salaries for agency supervision (see page 16).

Schedule of bank balances (see page 11).

The life blank as herewith submitted shows all of these proposed modifications. The part of the blank herewith submitted as "part B" is as prepared by the New York Department, and shows all of the requirements of the present New York law, which have not been included in the blank recommended by the committee for adoption except the dividend schedules and the gain and loss exhibit.

Dividend Schedules.—At the Bretton Woods convention a special committee reported in favor of compiling a comprehensive and detailed exhibit of dividends paid or credited, and instructed the committee on blanks to report thereon at this convention.

In the new insurance law of New York, section 103, requiring additional returns by the companies, express provision is made for annual and deferred dividends as required by subdivisions 13, 14 and 15 of said section.

As a result of the convention resolution and the requirements of the New York law, your committee presents for the consideration of the convention, and recommends the adoption thereof, the three following schedules, namely: 1. "Schedule showing rates of annual dividends declared (paid) in 1906 and annual premiums per \$1000 of insurance at age 25, etc., at date of issue." 2. "Schedule showing rates of dividends declared (paid) in 1906 upon deferred dividend policies completing their dividend periods during said year, and annual premiums per \$1000 of insurance at ages 25, 35, 45 and 55." 3. "Schedule showing amounts set apart or provisionally ascertained or calculated in 1906 or held awaiting apportionment on policies with deferred dividend periods longer than one year, and annual premiums per \$1000 of insurance at ages 25, 35, 45 and 55," copies of which are herewith submitted. These schedules have not been incorporated by the committee in the convention statement blank. In the event of their adoption by this convention they will be placed in such blank. If not adopted, New York will be required to place them in part B.

Gain and Loss Exhibit.—In view of the desire of a large number of the Commissioners, as expressed by a vote at the last convention, to have a gain and loss exhibit incorporated in the annual statement blank for life companies, and in further consideration of the fact that such an exhibit is and for some time past has been required by some of the Commissioners, as well as the fact that it is now required by the statutes of the State of New York, and if not adopted by the convention will be included by that Department in part B of its annual statement, the committee, after mature consideration, deemed it advisable to prepare and submit for the consideration of the convention, but without recommendation as to its adoption or rejection a gain and loss exhibit.

Numerous forms were submitted and considered by the committee, which herewith presents the best form it has been able to prepare. In the preparation of this exhibit your committee desires to acknowledge receipt of valuable assistance and suggestions from prominent actuaries, as well as from the Commissioners and their assistants.

If the gain and loss exhibit is adopted by this convention, your committee earnestly recommends that unless an extension of time for filing the same is prohibited by statutory requirements, the companies be allowed until the 1st of April in which to execute and file such exhibit with the respective Departments. It further suggests that all existing statutes be amended so as to provide for such extension.

Your committee recommends that in schedule B, relating to mortgage loans on real estate, companies should be required to foot only the columns showing the amount of the principal unpaid and the interest past due and accrued.

During the past year your committee has considered a large number of suggestions relating to proposed changes in the various annual statement blanks, many of which it did not deem expedient to adopt.

Other communications containing pertinent and useful suggestions were received by the committee too late for consideration under the vote of the convention requiring three months' notice to the committee of proposed changes in the blanks.

We recommend that these suggestions, including those of the Connecticut Department relating to the exhibit of policies in the life blank, be referred to the next committee on blanks.

Publicity for Rebaters.

[TO THE EDITOR OF THE SPECTATOR.]

I wish to compliment your valuable paper on the stand it has taken in regard to rebating. Publicity of this sort will do as much toward stopping this evil as anything else. I do not believe that any life insurance agent willingly rebates. Some of them are at times too weak to withstand the temptation, and I believe that insurance journals in the United States could assist them and help them to stop the practice almost as much as the law, by doing as you have done, giving publicity and citing facts and instances. I compliment you in the highest terms for your action in this matter.

R. L. STEPHENSON.

San Francisco, September 24.

—The Hartford Life has decided to close its Atlanta office.

—William C. Morgan, for the last fifteen years advertising manager of the Aetna Life, died at his home in Hartford on September 26. He leaves three sons and one daughter.

—W. H. Gould, formerly actuary of the Sovereign Life of Toronto, has been appointed secretary-treasurer of the Annuity Company of Canada, with headquarters at Winnipeg.

—The Southern Life Association of Florence, Ala., has filed articles of incorporation. L. W. Carden and E. L. Forsythe are general State agents, and the company will operate on the assessment plan.

—The Democrats of the Eighth Congressional District of Newark, N. J., have nominated Le Gage Pratt of East Orange for Congress. He is vice-president of the Mutual Benefit Life Insurance Company, and is widely known in insurance circles as a man of sterling integrity and sound business ability.

—George G. Peters of Boston is suing the Equitable Life under a \$25,000 life policy on the semi-tontine plan, the dividend period of which it is claimed expired on June 9 of this year. Plaintiff avers that he has been unable to secure an accounting from the company, and that a sum has been offered in settlement which is much below what he believes is due him.

—The Century announces, among its attractions in the October number: "The Dog Police of European Cities," William G. Fitz-Gerald; "Seeing France with Uncle John," Anne Warner; "The Human Side of the Czar," Amalia Kussner Couder; "Edward II. Southern in Character," from paintings by Orlando Rouland; "The Japanese Pilgrimage to the Buddhist Holy Land," Count Kosui Otani; "A Perverse Generation," Grace Ellery Channing; "An Appeal to the Past," Harvey J. O'Higgins; "Examples of American Portraiture," XIV., John H. Finley; "Running Water," A. E. W. Mason; "Cole's Engravings of Old

Spanish Masters," Timothy Cole; "What American Museums Are Doing for Native Art," Annie Nathan Meyer; "The Perfect Women," Edith Wyatt; "The Training of the Negro," Robert Bennett Bean.

—During August the Royal Arcanum received 376 new members, reinstated 66, lost 227 by death and 1110 by suspension, the net loss in membership for the month being 895. Since the beginning of the year the membership has decreased 19,044, and 70,147 since May, 1905. The emergency fund was again increased by \$100,000, making \$400,000 transferred this year, and the fund now stands at \$2,234,844, and there is a cash balance in the mortuary fund, in addition, of \$1,187,382. Unpaid death claims are reported at \$813,550, a slight decrease for the month.

INDUSTRIAL INSURANCE

Keeping a Day Book.

The secret of my success, says an agent of the Life Insurance Company of Virginia, "is that I put my whole mind on my business. No agent can surpass me and very few equal me as to the condition of debit. My plan is to keep what I call my day book. This contains the number of people in each household on my debit; the number of people insured; the number of children; the number of old people marked off as too old for insurance; the number of marriageable young ladies; the kind of insurance carried in each household, industrial, ordinary, fraternal, or assessment. In this way I keep track of every individual. I have spotted the young men who 'keep company' with the marriageable young ladies, and whenever an engagement is announced I am at the young man for ordinary, and have generally been successful. Keeping a book in this way is not a difficult task. It only requires ten or fifteen minutes a day, and it is surprising how many new prospects can be worked up in this way."

President Dryden Infuses Enthusiasm.

President Dryden of the Prudential, speaking before an assemblage of the company's representatives at Trenton, summarized the situation so truly and completely that his words are a great inspiration, not only to the men of the Prudential, but to all life insurance workers. Mr. Dryden, said:

Gentlemen, it is the time of the year when we should prepare for the campaign that is going to mark its closing months. The summer is past. People are returning to their usual vocations. Business, where it has been temporarily slack on account of the heated season, is resuming its wonted activity. The wheels of the mills are turning, and everywhere, upon every hand, people of all conditions of life, the plain people, the people in moderate circumstances, the financiers, the men in commercial life, the professional men, the princely merchants, business men, people of all types, are again assuming their wonted places in business life. Everything encourages us to move. Everywhere business is active. Nowhere is there a man out of employment who is able and willing to work, and wages are remunerative. Manufacturers are prosperous. The professional man has his hands full. All are in a spirit of good humor because these conditions prevail. They beckon you forward to your duty and to your reward. Let us not misread the signs of the times. Let us avail ourselves of the opportunities which lie at our very door. Let us take up the Prudential banner again as of yore and carry it on to victory.

Industrial Notes.

—Assistant Bert Yocum of the Prudential's Terre Haute district has received his P. O. G. Badge, class A.

—Prudential agents are out for the rocks—Gibraltar rocks—in the form of scarf pins. The assistant at Beloit, Wis., has already captured five pins and is after more.

—The fall work of the Colonial is starting up in a most gratifying manner, the quickening not being confined to a few places, but seems to be practically universal.

—Assistant Zimmer of the Prudential's Racine district backs up his belief that his assistantcy can whip any other in division L in joint results for the last quarter of 1906, by issuing a challenge covering that territory.

—Richmond, Va., is to have a rousing State fair on October 9. The industrial agents have caught on, however, and are making their collections well ahead, so that the man who sells four whips for a dollar won't get all the money.

—As your field becomes more highly cultivated you will experience less difficulty in tilling it. About the time you think it is fully worked your clients will be sending prospects to you and you will wonder how it is that you did not find them yourself.

—A member of the Detroit staff of the Prudential sent to the home office last month a canvassing tip that, he thinks, will beat any horse-

race tip that was ever given. It is: Canvass the back doors instead of the front doors—preserving season! This agent tried it and scored eighty-five cents' industrial and \$1000 ordinary.

—Superintendent Alexander of the Prudential's Brooklyn No. 9 district gave an elaborate dinner to his staff at the Empire House last month. Much enthusiasm prevailed and it was decided to have a rousing ordinary effort, which was carried out with good results.

—The Life Insurance Company of Virginia reports the following recent changes and promotions: Agent E. E. Parrish of Petersburg, appointed assistant in that district, succeeding the late W. A. Stith. Agent J. B. Chaffin of Gaffney, appointed agent in charge of Abbeville, S. C.

—The Prudential superintendency leaders in industrial for 1906 are: J. M. Mackintosh, McKeesport; G. J. Wink, Wilmington; L. F. Miller, Allentown; J. Reid, Milwaukee 1, and P. H. Showalter, Denver. The assistants who lead, according to the last report are: S. P. Miller, Joplin; P. M. Russell, New Albany; C. P. Wurster, Charleston; B. R. Cosby, Joplin; W. N. Howard, Denver.

—The Prudential announces the following recent advances to the rank of assistant: E. G. Naumann, Newark 2; I. Scheckwitz, New York 7; B. Gross, Brooklyn 6; F. G. Whitney, Pittsfield; W. M. Hahl, Philadelphia 2; W. F. Reed, Columbus; A. A. Jackson, Kalamazoo; H. E. Wagoner, Lafayette; B. Friedman, Chicago 7; C. Fretz, Chicago 11; C. T. Melvin, Baltimore 3; D. C. Gibson, Hagerstown; C. Freed, Joplin; A. L. Schroeder, St. Joseph; C. Schmuhl, Newark 1; C. S. Hawkins, Brooklyn 6; P. Welch, Waterbury; S. J. Bradley, Lexington; F. B. Lewis, Elmira; C. Berg, Chicago 6; M. V. Corzine, Peoria; J. J. Campodonico, Baltimore 4; J. W. Heilig, Norristown; F. P. Keys, Wilmington; E. S. Clow, Davenport.

—The most recent changes reported among the Colonial field forces are: Appointments to Assistancies—H. B. Knorr, Trenton; H. M. Covert, Brooklyn; John Heist, Williamsburg; W. H. Pearson, West Philadelphia; D. M. Hunter, Easton; C. A. Allen, Easton; I. W. Bininger, Elizabeth; E. F. Hart, Paterson; J. G. Walsh, New York; J. P. Mullen, Reading; S. B. Hoge, Norristown; H. N. Estee, Montclair; C. F. Selzle, New York; D. E. Marsh, South Philadelphia, and J. F. Hunold, Allentown. James O'Donovan, assistant at Trenton, has been promoted to the managership at Reading, and T. A. Sheers, assistant at New York, has been promoted to the managership of Hoboken. G. W. Fenimore has been appointed manager at Norristown. D. N. Conover has been transferred from an assistantcy at Montclair to Orange, and J. H. Doyle from Orange to Trenton. Yonkers has been transferred to the Bronx from the Harlem district.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

A broker of some prominence informs us that merchants are becoming quite anxious about their fire insurance policies. They are receiving letters from customers in the West, calling attention to the shortage in payments in San Francisco, and giving names of companies and specifications of the percentages paid. In several instances it is stated that half or two-thirds of the claims are paid in full and that, although the adjustment is not disputed, the delinquents meet the issue by declarations that sixty or seventy per cent is all they are willing to pay, or can afford to pay. Our broker friend was confronted with a bill he had sent to a firm on West Third street, for twelve policies, and among them were the names of five companies which have declined to pay over sixty cents in San Francisco.

October used to be considered the best month in the year for mercantile provisions, as May is the largest for dwelling and household furniture risks. The month this year has started off poorly, according to the brokers and countermen. An unusual amount of October business written a year ago appears to have vanished by cancellations, and the totals now required are reduced through extra quantities of merchandise sold.

Rumors of intended changes in the salaries and duties of clerks, inspectors and employees of the Board and the Exchange are flying around the rooms on the seventh floor of the Mutual Life building, to an extent which, it is alleged, is quite demoralizing. The revised by-laws of the New York Board clearly vest the power over salaries

in the finance committee, and it is claimed by some members that no other committee, nor even the Board itself, can raise or reduce a salary without the concurrence of the finance committee. The Exchange, however, is master of the salary question, through the executive committee, but it is less than a year since the Exchange has heard anything from the committee on the subject.

The New York Insurance Department had a call from a legal firm of this city a few days ago with reference to the deposits of a withdrawn foreign company which is popularly supposed to hold a reinsurance contract covering some San Francisco losses. The point involved is whether these deposits can be attached for claims under reinsurance on account of a company which has denied liability and failed to settle. On this point the Department is wisely non-committal. One of the German companies is interested in this question.

The line on the new Altman building, on Fifth avenue, is now stated to be full—\$3,000,000. It is covered as a builder's risk, at thirty cents per annum. The contents will add nearly \$2,000,000 additional, making this risk one of the most heavily insured in the city.

We are informed that the offers of surplus lines from the West received daily in this city exceed the offerings of city risks twenty to one.

The recently organized Metropolitan Insuring Corporation, of which Edward J. Casey is president, is now located at No. 95 William street. This company has facilities for placing surplus lines on risks in the United States and Canada, in several companies, and allows the usual commissions to brokers and agents. Mr. Casey came to New York recently from San Francisco, where he had been in the insurance business for many years.

BOSTON AND VICINITY.

The insurance interests are complaining that Boston's fire department, which under the administration of the late Col. Henry S. Russell reached a fine standard of efficiency, has been falling down under the political sway of Mayor Fitzgerald. There is now observed a disposition to inject politics into the department, for some of the higher officers, men entitled to promotion because of their length of service and good record, have been ignored in favor of men who had political backing. It is reported that the insurance interests will ask the legislature to create a metropolitan fire commission, to consist of one commissioner, to be appointed by the Governor for a term of five years.

The Boston Board of Fire Underwriters has voted to apply specific rating to stable property in East Boston and the Charlestown district, with a small conflagration charge, additional.

Hereafter, sub-agents of fire companies will not be required to report any figures to the Insurance Department. This is a late ruling of the Insurance Commissioner.

Boston has a new motor chemical fire truck. The motor is rated at 30 horse-power, and the speed of the machine is figured at thirty miles an hour.

At its last meeting, the New England Insurance Exchange took up the proposition to transfer the class ratings on summer dwellings, so that the class rate shall be two and one-half annual rates for three, and four for five years, instead of two for three, and three for five, as at present.

The Southern of New Orleans has applied for admission to Massachusetts. H. G. Fairfield & Co. will be the local representatives.

An effort is being made in Lowell, Mass., to bring about improvement in the fire protection equipment of that city.

The first lecture in the Boston Insurance Library course of the season will be held October 19.

W. D. Serrat, of the fire insurance firm of Wheelock & Serrat, has presented the Boston Insurance Library Association with a proof of insurance loss, dated Boston, March 20, 1760. The amount of the loss was £410 7s. 6d.

THE SPECTATOR extends its sincere sympathy to Frank H. Hardison, Deputy Insurance Commissioner of Massachusetts, in his bereave-

ment because of the death of his son, who passed away Friday, pneumonia being the cause of death. He was aged twenty-one years.

There will be a meeting in Worcester, Mass., October 10, for the purpose of taking steps to reorganize the Massachusetts Association of Local Fire Insurance Agents. President Woodworth of the National Association, which will be in convention in Worcester at the same time, will deliver an address. The Boston Board of Fire Underwriters has been invited to attend.

NOTES FROM PHILADELPHIA.

The new municipal loan bill, which was passed by the city councils on Thursday last and signed by Mayor Weaver, among its various items provides \$150,000 for the extension of the high-pressure fire main system, which has been persistently urged by underwriters. It is not doubted that the bill will be approved by the voters at the November election, as the improvements provided for by all the items have been deemed necessary for a long time.

The Caledonian has appointed John M. Stoney, Jr., special agent for New Jersey, Maryland, Delaware and District of Columbia.

The directors of the Pennsylvania Fire have issued a call for a meeting of the stockholders of the company to be held on November 19, 1906, to take action on some suggested amendments to the charter, and on the proposition to increase the capital stock from \$400,000 to \$750,000. The 3500 new shares will be sold at \$400, and the premium on them will approximately add \$1,000,000 to the surplus account, thus strengthening this staunch old company against possible future contingencies.

Eastern Pennsylvania and New Jersey Special Agent Walter L. Schnaring, of the Union Insurance Company of this city, has resigned to enter the office of Meeker & Magner of Chicago.

THE MIDDLE STATES.

—F. E. Jenkins, formerly with the Middle States Inspection Bureau, and later with the Norwich Union, goes to the Rochester German for special work in New York State.

—Owing to the fact that H. P. Magill & Co. of Chicago find their time fully occupied with the National American of Philadelphia, the firm has resigned the representation of the Church and Dwelling House Underwriters. The Union of Philadelphia, following the resignation, has decided to discontinue the Church and Dwelling House policies and take up all the agencies that were planted.

THE WEST.

Fire Underwriters' Association of the Northwest.

[SPECIAL DESPATCH TO THE SPECTATOR.]

Chicago, October 2.—The twenty-seventh annual meeting of the Fire Underwriters Association of the Northwest opened to-day in the banquet room of the Auditorium Hotel in Chicago. The organization is the largest fire insurance association in the world, having over 650 members. It is made up for the most part of special and State agents of the companies, but it has on its rolls the names of all the prominent fire underwriters throughout the West and a number of the Eastern fraternity. Its functions are purely social and educational, it having no legislative jurisdiction. The annual meeting gathers together the field men of the companies from every Western State, and the event is the main one of the year for Western insurance men. A number of companies have banquets for their forces during the week of the meeting. The programme will be carried out as printed in THE SPECTATOR for September 27.

—The Commerce of Albany is preparing to enter Iowa.

—The Millers National of Chicago has entered Nebraska.

—The Shawnee Fire of Topeka has purchased the Real Estate building in that city.

—It is reported that Insurance Commissioner Perkins of South Dakota has resigned.

—L. H. Gosline of Chicago has quit the surplus line brokerage business to become a regular broker in the local office of the Queen.

—The Union of Pittsburg has applied for admission to Illinois. Its sole agency for Cook county will be placed with Parker, Aleshire & Gardiner.

—The raising of rates in Indiana has aroused opposition in many quarters.

and it is feared that the next session of the legislature will pass an anti-compact law.

—William Wright, Wisconsin special agent of the Delaware and the Reliance of Philadelphia, has resigned, to become Wisconsin State agent of the National American.

—Edwin Fulton, until recently Missouri State agent of the New York Underwriters Agency, has bought a half interest in the Kansas City agency of Baird & Eaton. The firm will be known as Baird, Eaton & Fulton.

—Frederick W. Standart, president of the Brannen-Standart Insurance Agency Company of Denver, Col., is one of the most popular business men in Denver, and since he purchased the agency its business has largely increased. It now represents the Liverpool and London and Globe, Springfield Fire and Marine, German-American, Fire Association, Equitable Fire and Marine and the Niagara Fire.

THE SOUTH.

—The Dixie Fire has appointed McClure, Kelly & Co. of Houston its general agents for Texas.

—The Michigan Commercial has appointed Smith & Cochran of Dallas its general agents for Texas.

—The demoralizing rate war that has been in progress at Lexington, Ky., for the past six months, has been brought to an end.

—One of the first bills to come before the West Virginia Legislature, which meets on January 9, is an anti-compact measure backed by Senator Elkins.

—The Eagle Fire has decided to leave New Orleans on account of the conflagration hazard there, and Special Agent George N. Hurt is now in that city attending to cancellations.

—The Hamilton Fire of New York, on October 1, took up its West Virginia State agency, heretofore conducted by S. Morris Smith and F. L. Lockwood under the name of the "Southern General Agency."

—Ormsby Gray has been appointed assistant to Executive Special James W. Powell, who covers Ohio, Kentucky, North and South Carolina and West Virginia for the Southern of New Orleans, and the Guardian Fire of Pittsburg.

—An opinion has been given by a law firm to the effect that companies operating under the Mississippi anti-compact law, which went into effect October 1, may, singly or as a whole, purchase information regarding rates, etc., from any individual or concern and apply the same in Mississippi, but no two or more companies could combine on rates so purchased with the purpose of applying them in that State.

MISCELLANEOUS FIRE NEWS.

—Two shares of the Hartford Fire recently sold at auction at 512.

—The Philadelphia Underwriters has ceased issuing policies on the Pacific Coast.

—James Heron Duncan, formerly manager of the Royal Exchange's fire department, is dead.

—October 1 being the last day for payment of the \$1,000,000 new stock of the Connecticut Fire, the full amount was paid in on that date.

—The Canadian Pacific Railway starts a new departure in insuring all freight while being carried by the railroad. The insurance is sold to shippers.

—Only \$76,000 remains to be paid out of a total increase amounting to \$3,750,000 of the Hartford Fire. The day of final payment will be December 15.

—Forty-four suits against the Williamsburgh City Fire were recently dismissed at San Francisco, a compromise settlement having been made between the parties at issue.

—The Teutonia of New Orleans has completed the payment of its San Francisco claims except for a dozen or so not yet closed up. C. M. Benjamin, Jr., who has been in charge of the work, started for home on October 1.

—It will take over a month to get all the claims on the books that came in during the last few days preceding the expired date for filing claims against the receiver of the Traders of Chicago for return premiums on canceled policies.

—The Royal Exchange of London has paid 1873 San Francisco claims, amounting to over \$4,000,000. The London Assurance paid 2854 claims, aggregating \$6,320,707, up to September 18, and the Niagara Fire, 1241 losses, amounting to \$1,913,236, up to the same date.

—It is reported that the Queen City Fire of Sioux Falls has asked \$50,000 damages from The Denver Post for libel for including it in a black list of insurance companies published in that paper. The German of Freeport is also said to have sued The Vicksburg (Miss.) News for \$10,000.

—The Continental of New York paid its last loss sustained through the San Francisco conflagration on September 15, the first loss having been paid ten days after the fire. The company has paid out 807 losses aggregating \$2,402,790 in full, without discount and regardless of reinsurance.

—The Fire Association and the Philadelphia Underwriters continue business on the Pacific Coast under the management of Belden & Bush, Western department managers at Chicago. Frank M. Avery has been appointed State agent for both companies, with headquarters at Oakland, and will have charge of the business in that section. It is stated that Gutte & Frank were advised by both

the Fire Association and the Philadelphia Underwriters, under date of July 2, that their connection as managers would cease on September 30.

—At the recent annual meeting of the German-American League at Oakland, Cal., resolutions were introduced condemning German insurance companies and calling on the Kaiser and the German Government to assert their influence and compel the companies interested to pay their liabilities arising from the San Francisco catastrophe.

—The number of losses assigned to the Fire Underwriters Adjusting Bureau at San Francisco aggregated 1337, of which 153 were taken out for various reasons, leaving a total of 1184. Out of these, 1091 have been adjusted, leaving 93 claims remaining on which committee work has not been completed. The total insurance was \$84,146,000, visible salvage \$8,758,000.

—In "Fire Insurance Laws, Taxes and Fees" and the "Fire Insurance Law Chart" for 1906, under Massachusetts, the tax statements should be stated as having to be filed by agents on or before October 15, for the year ending September 30, and by companies between the first and fifteenth days of October. In Mississippi, resident agents are permitted to allow a commission of not exceeding five per cent to outside agents or brokers on insurance covering property owned by non-residents and controlled by agents or brokers licensed in other States. A law of Mississippi, which went into effect October 1, 1906, prohibits combinations to make or maintain fire, lightning or tornado insurance rates, under severe penalties.

Casualty, Surety and Miscellaneous

United Surety Company Elects Officers.

The directors of the United Surety met last week and elected William Gilmor Hoffman, president, to succeed Olin Bryan, who, with the other officers, recently resigned. The selection of Mr. Hoffman met with no opposition. But few changes were made in the personnel of the other offices. Henry Penniman, first vice-president, was made second vice-president, and his place was filled by George G. Brown, who was also made general manager, an office created at this meeting. Earnest J. Clark, who was second vice-president, was elected third vice-president, this office being created by a vote of the directors. Walter A. Mason remains treasurer and Robert A. Dobbin, Jr., as secretary. The meeting was essentially one of compromise, all personal differences, for the most part, being laid aside in the desire to promote the welfare of the company. A new assistant secretary remains to be selected, the resignation of Edwin D. Livingston being accepted at his own request. In the directorate, J. Markham Marshall of New York succeeds W. D. Rosen, also of that city, and a member of the firm of Ladenburg, Thalmann & Co. A statement is soon to be issued by the company, which will show its exact financial condition.

The recent confusion in the company's affairs resulted from the fact that all of its capital stock had not been paid up. The capital and surplus of the company is named at \$750,000, and it is said that nearly one-half of this amount had not been subscribed for. Upon discovering this condition the directors immediately added to their holdings, and now the stock is said to be fully provided for. The election of Mr. Hoffman is very favorably regarded in Baltimore and while it was recognized that he has no experience in the surety business, nevertheless, his standing as a business man, coupled with the fact that in George G. Brown he has an able surety man, the affairs of the company may be expected to materially advance from now on.

The United States Casualty's Latest.

The United States Casualty has just issued a new accident and health policy known as the "Uscasco." Special stress is laid upon the simplicity of the contract, all the benefits being tabulated instead of being run in in solid type. The first page of the policy is therefore a mass of figures, each section being designated by a conspicuous heading for ready reference. The health portion of the contract is entirely separated from the accident part, the accident portion selling for \$30 a year in \$5000-\$10,000 combinations. The policy provides ten per cent accumulation for five years, special indemnity if confined in a hospital, schedule of fractures, schedule of surgical operations, beneficiary indemnities, special indemnities, physician's services. In the health policy, quarantine indemnity is also provided for.

International Association Meeting.

The executive committee of the International Association of Accident Underwriters met in Washington last Monday, the following members being present: William Bro Smith, H. B. G. Alexander, W. C. Faxon,

W. C. Potter, J. E. Roberts, G. C. Pratt, E. G. Robinson, V. D. Cliff, Dr. R. S. Keelor and Franklin J. Moore.

It was decided that a committee of five should be appointed by the chairman to take the matter of a uniform policy in charge, and resubmit the proposition in such shape that there might be a chance of it being formally accepted by the accident companies. Mr. Faxon appointed as this committee H. G. B. Alexander, A. E. Forrest, William Bro Smith, A. L. Eastman and Edson S. Lott. The committee also decided to prepare statistics on automobile accidents, which will lead to the formulation of rates for various automobile risks, passenger, driver or pedestrian. No action was taken in regard to caring for legislation in the forty-one States which will hold legislative sessions next year. The association will collect legislative data through press-clipping bureaus and keep informed in that way. It was decided to hold the next convention at Mount Washington Hotel, Bretton Woods, New Hampshire.

Report on Model Insurance Law.

The executive committee of the Board of Casualty and Surety Underwriters has presented a draft of a proposed model insurance law which is for the organization of an Insurance Department for the District of Columbia and for the supervision of companies operating therein. The board, before assigning the duty of drafting this law to its committee, had concluded that it is not competent for Congress to make insurance laws for the country at large and that it is competent to make laws which shall be operative in the District and in other territories that are subject to Federal control. Also, that a well devised law enacted for the District would be likely to be followed, more or less, in the several States, thus promoting the cause of uniform legislation.

The committee after making provision for the organization of an Insurance Department in the District dealt with casualty and surety lines in a separate article, arranging the work so that other separate articles may be added for the life, fire and marine branches, believing that this is the simplest method by which to render the body of law enacted easily understood.

Casualty Notes.

—President D. E. Thomas of the National Casualty of Detroit is reported seriously ill.

—Charles E. Carr, formerly manager of the plate glass department of the Empire State Surety, is now superintending this line for the Peoples Surety.

—The industrial department just inaugurated by the Frankfort Marine is under the supervision of Carl P. Lenz, formerly of Chicago, where he had a wide experience along this line.

—Edmund H. Driggs, formerly vice-president and director of the Empire State Surety, having taken charge of the agency work of the Peoples Surety, will proceed at once to organize an efficient field force in New York State.

—Harry B. Hart has taken charge of the burglary branch office of the American Bonding in this city, succeeding T. G. Buchanan, who has returned to his former position with the company in Baltimore. Mr. Hart was formerly with the Empire State Surety.

—The Actors Liability Company is being organized in New York. The object of the new company will be to protect against loss by postponements, will protect actors, managers and the public, and insure managers, actors and authors against the failure of plays.

—A. O. Kaplan, superintendent of the Ocean Accident's credit department, is organizing the western field and has appointed C. L. Currier, formerly manager of the American Credit in San Francisco, as Chicago and Cook county manager of the Ocean's credit department.

—Cort & Kronberg, managers of the American tour of Leoncavallo, the Italian composer and conductor, have taken out \$100,000 insurance, which indemnifies the managers in the sum of \$2000 for each performance which may not be given because of any mishap to Leoncavallo. There are to be fifty performances.

—The Peoples Health and Accident Insurance Company of Grand Rapids, Mich., has been incorporated with the following officers: President, A. B. Knowlson; vice-president and superintendent of agencies, F. C. Guerier; secretary, C. M. Kelly, M. D.; treasurer, G. J. Brooks. Offices have been opened in the Fourth National Bank building.

—A local paper stated last week that the plate glass compact was on the point of dissolution unless sweeping changes were made in the treaty. This assertion is denied by parties in close touch with the plate glass situation, who declare that nothing of this kind is likely to

occur and that it has been impossible to verify the statement that three membership companies were ready to withdraw from the compact. Charges of rate cutting are freely made, however.

Surety Notes.

—Roger L. Merrill, recently appointed Wisconsin manager of the Fidelity and Deposit, will retain his connection with the Maryland Casualty.

—Davis, Hinig & Co. of Cleveland have left the Empire State Surety and returned to the Casualty Company of America, becoming Cleveland agents for all lines.

—R. J. Gilkey, attorney and resident assistant secretary of the American Surety at Chicago, is acting manager for Illinois pending the selection of the permanent manager to succeed the late Daniel T. Hunt.

—Whittaker Brothers & Penny of Detroit, general agents of the Fidelity and Deposit, are suing Frank P. Glazier, State Treasurer of Michigan, for payment of premium on a bond furnished by the Fidelity and Deposit. The surety agents claim that State Treasurer Glazier applied to them for a surety bond when he took office over a year ago and they quoted him a rate of \$500 a year for a bond of \$150,000. This rate was not satisfactory to Mr. Glazier, who said that if he could get a bond at the rate he desired he would require all the banks in which State funds were deposited to give corporate depository bonds. Whereupon a bond was issued at the rate of \$500, but a rebate of \$125 was given on the first premium, in consideration for which the Treasurer was to furnish the agents with a list of depository banks before the other surety companies could get one. This the Treasurer did and the Fidelity and Deposit agents got a lot of business by it as did also other surety companies. Later in the year, when State Treasurer Glazier reported to the Fidelity and Deposit, it was learned that at one time he had \$400,000 of State funds deposited in his own bank at Chelsea, which was considered as a \$60,000 institution with a \$25,000 depository bond. The company criticised this action, which criticism was resented by the Treasurer. At the beginning of the second year of Glazier's term he refused to accept the Fidelity and Deposit on depository bonds and Whittaker Brothers & Penny sent him a bill for \$500 for the second year's premium on his treasurer's bond, but he refused to pay it, saying he did not want the bond. The agents held that he could not cancel and neither could they and they sued for the premium. Mr. Glazier says he has a new bond in the Empire State Surety, Bankers Surety, Aetna Indemnity and Federal Union Surety at \$500. After suit was commenced Mr. Glazier tendered Whittaker Brothers & Penny \$375 as the second year's premium, but it was not accepted. The State Treasurer threatens to carry the case to the Supreme Court and is making public statements about the surety companies being in a trust. It is stated that the American Surety, National Surety, American Bonding and United States Fidelity and Guaranty all refused to write a new depository bond on Mr. Glazier's bank at Chelsea after learning the cause of the Fidelity and Deposit's criticism.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Aetna Town Mutual Fire Insurance Company, St. Louis, Mo.

This company is reported to be writing surplus lines. It reported total assets (cash in bank) as of December 31, 1905, amounting to \$1000, with no liabilities. G. A. Gilbert is president, and Walter Inman, secretary. It is understood that a party who is or was interested in the Germania Town Mutual and the Phoenix Town Mutual (which latter ceased business in 1906) is also interested in this company.

American Central Insurance Company, St. Louis, Mo.

The statement of this company as of June 30, 1906, showed \$42,283,114 of assets, including bonds and stocks \$3,337,200; loans on collaterals, \$170,000; mortgage loans, \$7500; cash in banks and agents' balances, \$713,614. The liabilities, beyond capital (\$1,000,000), were: Reinsurance reserve, \$1,788,701; unpaid losses and other claims, \$1,266,457, and the net surplus was \$173,156. The company has placed 10,000 new shares of stock at \$200 per share, so that by January 1, 1907, \$1,000,000 will have been added to capital and \$1,000,000 to net surplus.

Dixie Fire Insurance Company, Greensboro, N. C.

The financial statement of the Dixie Fire, as recently filed with the Georgia Insurance Department, makes the following showing: United States bonds, \$110,000; Georgia bonds, \$11,165; cash—in City National Bank, Greensboro, \$252,055; Battery Park Bank, Asheville, \$90,046; First National Bank of Wilson, \$108,691; Charlotte Trust Company, \$80,904; First National Bank of Elizabeth

City, \$85,587; Citizens Bank of Elizabeth City, \$7050; Bank of Lexington, \$3000; Citizens Bank of Windsor, \$1500. As the Dixie Fire has only recently been organized, it has not had time to complete the investment of its assets, hence the large amount of cash on hand.

Fire Association of Illinois, Chicago.

John L. Lucas, who is or was attorney for the Equitable Fire Underwriters, American Fire Underwriters and the Columbia Fire Association, all Lloyds associations located at Chicago, is reported to have formed the Fire Association of Illinois, with ten subscribers.

Franklin Insurance Company, Wheeling, W. Va.

An examination of this company by the State Auditor's office shows that, as of May 31, 1906, the company possessed assets aggregating \$327,870; total liabilities except capital, \$82,392, and a net surplus of \$45,478.

Ginners Mutual Underwriters of Oklahoma and Indian Territory, Ardmore, I. T.

A new company bearing the above name has been organized, and will restrict its business for the most part to cotton gins and cotton oil mills. George Dashner, manager of the Ardmore Oil Mill, is president, and E. V. Green, cashier of the Bankers National Bank, is secretary and treasurer. E. D. Payne is the attorney and general manager.

La Aseguradora Espanola (Spanish Insurance Company) of Santa Cruz de Tenerife.

The statement of this company for the year 1905 shows premiums amounting to \$1,106,867 (converting pesetas at 5 to the dollar), with losses aggregating \$643,342. Its assets December 31, 1905, amounted to \$1,554,499, including \$570,000 of stockholders' notes. The capital stock was \$1,000,000, and the profit balance for the year was \$420,212.

National Insurance Company, Allegheny, Pa.

A special meeting of the stockholders of this company has been called for November 26 to act on a resolution to increase the capital from \$200,000 to \$500,000 and extend the field of the company's operations to include all the Eastern and Middle States.

Queen City Fire Insurance Company, Sioux Falls.

A special meeting of the stockholders of this company has been called to act on a proposition to reduce the present capital of \$300,000 to \$200,000, and then to immediately increase the latter amount to \$400,000 by issuing \$200,000 of new stock at 175.

Rhine and Moselle Insurance Company, Strasburg.

This company proposes to let all suits against it arising from the San Francisco conflagration go by default. The company's managers are of opinion that no judgment obtained in this country can be enforced in Germany.

A man of character and ability to manage the New York City Personal Accident and Health Department of a large Insurance Company having a volume of business.

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No. 15.

WHO IS TO PROFIT BY IT?

UNDER the recently enacted law, the policyholders in the New York State mutual life insurance companies are to have an opportunity to vote for directors of those companies on December 18, next. As required, the officers of the companies made their nominations some weeks ago, the international committee of policyholders filed their nominations recently, and a third list has been submitted on what is called a "fusion" ticket, containing names selected from the other two tickets. The international policyholders committee has been exceedingly active in its opposition to the present management of the Mutual and the New York Life, and the question has been frequently asked, but never satisfactorily answered, "What are the reasons for this extraordinary activity on the part of the committee?"

In the early days of the "insurance scandals" Thomas Lawson, the erratic and unscrupulous stock jobber of Boston, took up the hue and cry against the companies on the ground that the funds of the companies were being used by Wall street financiers in their various speculations, and as his fight was against those men, he attacked the companies as an incident in the campaign he was waging. He was seeking notoriety as well as speculative profits from his attacks on what he called "the system." The "insurance scandals" grew under the fostering care of the sensational papers, and Mr. Lawson declared his purpose of ousting the directors of the Mutual and the New York Life at the next election, and at once entered upon the work of securing proxies from policyholders. He claimed to have secured several thousands, and to have spent many thousand dollars in doing so. Then the new law was passed by the legislature which rendered invalid all proxies in existence at that time. Lawson's work and heavy expenditures were thus rendered of no account, and the task of securing new proxies had to be undertaken anew if his threat of revolutionizing the companies was to be carried out. Lawson seems to have become disgusted with the situation, and unwilling to carry the expense alone, so he turned the work over to the international committee, of which Samuel Untermeyer, a well-known lawyer, was the inspiration and the mouthpiece—especially the latter. Some prominent gentlemen were induced to become members of this commit-

tee, but its work was the work of Mr. Untermeyer. It was he who issued the sensational circulars and letters from the committee's headquarters, and it was he who gave almost daily "interviews" to reporters greedy for sensations. In his attacks upon the companies he was often wide of the truth, and some of the members of the committee refused to be held responsible for his unwarranted statements. Cardinal Gibbons resigned from the committee, as did also Bishop McCabe and some others. The extravagant outgivings of Untermeyer have been severely criticised, both within and without the committee, and have incurred the hostility of many policyholders for their numerous misstatements and the venom that was so apparent underlying them. It has cost this committee many thousands of dollars to carry on its fight against the companies, but where the money comes from has not been made known. It is not probable that the members of the committee are paying out this large sum from their own pockets, nor is it presumable that the gentlemen who have been named for directors have paid for their nominations, like Tammany politicians. Mr. Untermeyer is reported to have spent over \$100,000 in the campaign, but he is not the kind of a man to make such payment from philanthropic motives alone; on the contrary, it is presumed that he expects liberal compensation for his "pernicious activity." Should the committee's ticket be elected, the new directors would be expected to reorganize the management of the companies, choosing new presidents and other executive officers. Who are slated for these positions? Will Untermeyer and Scrugham secure the presidential plums, and have the apportioning of the other offices among their satellites?

The international committee was formed when prejudice against the companies was at its height, and the members undoubtedly believed that reforms in company management were necessary. Those reforms have already been consummated by the companies themselves, and embrace every improved method that even new boards of directors could suggest. To remove those who have done this work and put in their places inexperienced men would be to jeopardize the interests of the policyholders and possibly bring ruin to the companies. Yet this is what is proposed in order to gratify the ambition of a few men who undoubtedly hope to profit by the revolution they seek to promote.

Mr. Siegel, in his printed letter on the subject, states clearly the situation from a business man's viewpoint, as follows:

Aside from being a policyholder to the extent of over \$500,000 in the Mutual Life, my action is entirely disinterested. In my opinion, as a business man, it is better for the present administration to remain in office. Considering the matter from a business standpoint, with the best interests of all concerned in mind, it does seem to me that it would be the height of folly to bring into the management at this time men who are totally unfamiliar with the routine of the enormous business of the company and inexperienced in practical insurance matters.

The present administration is composed of thoroughly experienced men, who, to my mind, are as good a representative body of men as it would be possible to find. I am personally acquainted with a number of these gentlemen, and I do not believe that a better selection could be made than the present officers and the proposed trustees. Having the technical knowledge and experience, they can work out the destiny of the company to much better advantage than a lot of new, untried men.

It is also pertinent to inquire just now, what are the motives which

actuate the members of the international policyholders committee? It cannot be philanthropy. There must be a moving cause. What would we policyholders gain by these new, inexperienced people taking charge of our enormous resources? In every business a green management would spell utter ruin, as far as the continued prosperity of the affairs of the company is concerned. Many of these men are not policyholders in the Mutual Life Insurance Company, and I cannot say that I care to see the vast resources of the Mutual used for purposes of experiment.

ACCORDING to the recent report of the Inter-State Commerce Commission, the number of passengers carried on the railroads of this country for the year ending June 30, 1905, was 738,834,667. The total number of persons killed during the year was 9703, while the injured numbered 86,008. Of those killed, 3361 were railroad employees and of the wounded 19,175 were similarly employed. The number of passengers killed or injured, it will be seen, was small compared to the total number carried, which goes to show that the railroads are improving their methods so that the peril of traveling is not so great as it formerly was. Naturally, the greatest sufferers by railroad accidents are the employees of the roads, who are constantly exposed to danger, while the exposure of passengers is transient. Nevertheless, there is by far too much maiming and killing by our railroads, and further precautions are necessary for the protection of those who are forced to place themselves at their mercy. The figures quoted tend to emphasize the fact that insurance against accidents is something that every person should be provided with, to compensate them for the expense and loss of time that accidental injuries impose upon them. If the accidents by trolley cars, automobiles, steamboats and other means of transportation could be accurately ascertained and added to the totals of railroad accidents, it would be seen that the migratory habits of our people involve great loss of life while the number of persons injured would be startling. While the accidents affect mostly the laboring classes engaged in various hazardous enterprises, yet the perils to life and limb so abound that every person is more or less exposed to them. The prudent man will provide for the loss that might occur to him by reason of accidents by taking out accident insurance in some of the well known and trustworthy companies, of which there are many.

DESPITE all the criticism and contumely which have been heaped upon the fire insurance companies which were so heavily involved by the San Francisco disaster, the average business man throughout the country is beginning to realize that the money supplied by the insurance companies will be a prime factor in the restoration of the stricken city. Probably \$150,000,000 have already been disbursed to San Francisco claimants; and as sanity and reason resume their sway, there is a growing impression that many of the companies have far exceeded, in their loss payments, their legal liability under their contracts. Even those companies which had earthquake clauses in their policies have paid hundreds of thousands, perhaps millions, of dollars for which, on principle, they had denied liability, and that, too, when they could reasonably feel confident of the legality of their position.

Now that the insurance companies have provided a considerable portion of the funds required for the rebuilding of the city, the newspaper list of so-called "welchers" or "six-bit" companies has been reduced from seventy to six. Possibly the libel suits begun by certain companies against newspapers which published injurious statements concerning them, have something to do with the much more temperate tone which now characterizes the daily press. It is safe to predict that, within a year or two, if not sooner, the business interests of the country will freely admit that to the liberality of the fire insurance companies and their stockholders, who have voluntarily contributed many millions of dollars, will have been due much of the credit for the rehabilitation of San Francisco and the maintenance of the commercial importance of that city.

ACCORDING to The Journal of Commerce and Commercial Bulletin, the loss by fire during the month of September aggregated \$10,852,550, or about \$3,000,000 below the record of the same month in 1905. The nine months' losses by fire now reach the immense sum of \$400,587,750, a figure never before equalled in the history of this country.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

Some restless souls among the merchants of this city have been writing letters to the Insurance Department complaining of the short settlements of several companies in San Francisco, and asking for an investigation as to whether the companies specified are worthy of the right to do business in this State. They are especially angry over the reports from friends about companies which claim large assets over their liabilities, while arguing with creditors in San Francisco they are not able to pay over sixty cents on the dollar upon admitted losses.

We learn that the Lloyds of London carried a policy upon the contingencies of the international automobile race for the Vanderbilt cup. The amount was \$250,000, and the contract covered liability for damage to life or property during the race, but excluding damage to the participants or employees engaged, or their machines. It appears to have been in the nature of an accident or liability policy. If the newspaper accounts of the injury to a boy and the death of one man directly caused by the automobiles are correct, there may be a stiff claim under the policy in question.

The Cincinnati policies delivered by Atkinson & Co. of this city at a cut rate have been recalled, but the owners of the property insured are quite indignant that the case was given away by Cincinnati agents, to their detriment and injury. The companies quoted in the Atkinson circular letters, offering policies at less than the tariff, are unanimous in declaring that the firm had no right or authority to use their names in connection with offers of insurance.

Evidence of cut-rate policies on the overhead lines being sent out from this city to the West and South has been gathered here for use in the local agents convention, which meets next week in Indianapolis. Some detective work has been done to discover the ways and means employed to deliver insurance on whiskey in Kentucky warehouses at less than tariff rates, but the actual truth of this business is illusive and hard to detect. The suspicion is directed toward two offices on William street, which always have a surplus of such risks, while other companies are begging for them in vain.

The Exchange held a meeting yesterday, but no report was received

from the joint committee on economies. Some of the skeptics are afraid the term of office of the board committee will expire before the joint report is heard from.

J. Heron Duncan, former manager of the fire department of the Royal Exchange, visited this country in 1895 and established its first New York agency, which was changed subsequently under the general agency management. He made many friends during his stay of a few months.

The latest bulletin list of policies canceled for non-payment of premiums reveals the names of fifty-seven policies delivered to unlicensed brokers, and again the brokers are demanding to know how many others did these unfrocked gentlemen obtain on which premiums were paid and commissions received—perhaps!

One of the most striking examples of the change in tactics was afforded by a notice sent to a broker a few days ago by one of our millionaire city companies, which for two years begged for a big line on a sprinklered department store risk. The amount solicited and written was \$25,000. The policy expired last Saturday and was renewed for only \$5,000. The difference was placed in the *Ætna* of Hartford, to the broker's delight.

The list of insurance lately printed upon the risks of one of the Boston electric railway lines (on which there was a small loss) was an eye-opener to conservative companies as to the opinions of underwriters covering a class of risks which, to this day, are not popular. The policies were specific on buildings and a blanket item on rolling stock, subject to the eighty per cent coinsurance clause. There are few instances of such lines on electric railway property anywhere.

An officer of a trade organization called on the president of a city company a few days ago, and asked whether it would be in order to call the attention of the Insurance Department to certain settlements in San Francisco by companies engaged in business here. It leaked out that the city organization had received a communication from a similar body in California, asking that an exposé of the practices of certain companies be made. The proposition was coldly received here, and nothing will come of it.

The Lumber Underwriters at Mutual Lloyds, New York, has issued a statement under date of August 31, 1906, which gives evidence of the handsome progress made by this association since the first of the year. It shows \$162,619 of good, clean assets (mostly cash), and a surplus of \$85,971, without reference to guarantee of individual underwriters. The gain in surplus since January 1, 1906, exceeds \$23,000. The net risks in force now exceed \$6,500,000. This organization writes only lumber and woodworking risks, and embraces among its thirteen underwriters some of the leading lumber dealers of the United States. Eugene F. Perry, the attorney, is also secretary of the National Wholesale Lumber Dealers Association, and not only has exceptional advantages for getting choice business, but has excellent facilities for placing risks in reliable companies. H. Billetter, formerly with the Pennsylvania Lumbermens Mutual Fire Insurance Company of Philadelphia, is office manager for the Lumber Underwriters.

The report of the special committee, which was appointed two years ago, on the movement for the organization of a Suburban Tariff Association, was read last week before a meeting of fire underwriters, by Secretary Joseph McCord. The whole subject was referred to the following special committee, appointed by Chairman Benoni Lockwood: George W. Hoyt, William N. Kremer, E. H. A. Correa, A. H. Wray, E. G. Richards, George P. Sheldon and Cecil F. Shallcross.

E. F. Benedict, counterman at the New York city branch of the National Fire of Hartford, has resigned to enter the general insurance brokerage business.

J. A. Leggett, formerly special agent of the Germania Fire in the Metropolitan district, has become manager of the Hartford Fire branch office at Fourth avenue and Twenty-fifth street.

General Manager E. Roger Owen of the Commercial Union sailed for Europe this week on the "Kaiser Wilhelm der Grosse."

The rate on the new McCreery building, on Thirty-fourth street, will be settled at about twenty cents and seventy-four on contents. The total insurance is in the neighborhood of \$2,750,000. The sprinkler equipment calls for an allowance of forty-five per cent.

BOSTON AND VICINITY.

R. S. Hoffman & Co. have resigned the agency for the metropolitan district of Boston of the Indemnity Fire of New York.

The New England Insurance Exchange is considering a recommendation of its executive committee, to make the rate on tobacco barns and sheds not written with dwellings, \$1.20 per annum, without the three-quarter clause.

The Exchange has been presented by Edward C. North, independent adjuster, who has been in San Francisco for the Royal Exchange, with a group photograph of the adjusters and special agents connected with the settlement of the losses in San Francisco.

Among the prominent speakers at the meeting of the Insurance Library Association of Boston, Friday evening, next week, will be Secretary Osborne Howes of the Boston Board of Fire Underwriters, and W. B. Medlicott, general agent of the Atlas.

As to the legal authority, or the justification on moral grounds, which the Massachusetts Insurance Department would have in connection with San Francisco losses, the Commissioner is quoted as saying:

There is now no law which would justify the interference of my Department with any local company because of its conduct in settling its San Francisco claims. Cases have arisen in other States which have been unfavorable to State Departments attempting to proceed along this line. This Department is concerned only with the matters of a company's solvency and its acts as referable to the laws of this State.

The question of our moral right to interfere, however, is a novel one in Massachusetts, and is purely a matter for speculation. * * *

It is possible that a considerable number of companies doing business here will find themselves under water when their losses are settled in San Francisco. Should these facts appear, either by complaint of policyholders to this Department or by the failure of such companies to show their solvency in their approaching annual reports, they will, of course, be stopped from doing business in this State unless they render a satisfactory accounting to the Department.

If a company showed its solvency and proved its ability to pay losses, and yet had forced its San Francisco policyholders to compromise at forty or fifty cents on the dollar, it is possible that they might be asked to explain the matter to our Department. The Department would decide upon the justice of their course. Whether it would take action, however, can hardly be stated at this time.

NOTES FROM PHILADELPHIA.

The organization of the National American Insurance Company was completed last week with a capital of \$500,000, and a surplus of equal amount. The official positions will be filled as follows: President, Louis S. Amonson, former vice-president of the Union Insurance Company and the Insurance Company of the State of Pennsylvania; vice-president, Thomas K. Ober, Jr.; secretary, James F. Stone, of Stone, Matthews & Co. It is expected that everything will be in shape for the company to begin business about November 15 next.

The recent meeting of the General Trust Company, the holding corporation of the Union Insurance Company and the Insurance Company of the State of Pennsylvania, called for the purpose of voting upon the proposition to reduce the capital of the corporation from \$1,500,000 to \$750,000, adjourned without taking any action. The reason given for this action is that the response of the stockholders for the new stock at \$180 has been such as to make the proposed reduction of the stock unnecessary.

President Alfred S. Gillett, of the Girard Fire and Marine of this city, resigned on October 1, after having occupied that office for thirty years. He has been connected with the company since its organization, fifty-three years ago, occupying the offices of secretary, treasurer and vice-president, previous to his election to the presidency in 1876. Mr. Gillett retired because he felt that his advancing years precluded him from giving the attention to the affairs of the company which his position demanded, and the directors in accepting the resignation unanimously passed a eulogistic resolution on the valuable services he has rendered the company, with the wish that he may live long to enjoy the fruits of his well earned rest from the cares and responsibilities of office. Mr. Gillett is the sole surviving incorporator of the company. At a meeting of the board of directors on

Friday last, Vice-President Henry M. Gratz, who has been connected with the company for many years, was elevated to the position of president made vacant by the resignation of Mr. Gillett. Mr. Gratz is known as a most able and successful underwriter, and his election is viewed with favor in all quarters. He has been the active underwriter of the company for many years. At a meeting of the stockholders of the company, called for next Wednesday, a proposition will be presented and voted upon to increase the capital stock by an issue of 2000 shares at \$300 per share.

Wagner & Taylor announce their appointment from October 1 as sole agents of the National Lumber of Buffalo for Philadelphia and vicinity.

THE MIDDLE STATES.

Alfred S. Gillett Resigns.

Alfred S. Gillett, president of the Girard Fire and Marine, and for the past fifty-three years connected with the company in an official capacity, has resigned. Mr. Gillett was one of the incorporators of the Girard and its first secretary. His election to the presidency of the company dates from 1876. Mr. Gillett began his business life in 1846 when he established a general insurance agency. The first insurance journal published in this country was published by Mr. Gillett in 1850, known as The Insurance Advocate and Journal. Two years later he went to Philadelphia and soon afterward started the Girard. Henry M. Gratz, who has been vice-president of the company for a number of years and is widely known as an able and progressive underwriter, has been elected to succeed Mr. Gillett.

New York Board Committees.

The New York Board of Fire Underwriters has announced the following chairmen for the standing committees: Committee on Finance—Henry W. Eaton, chairman. Committee on Fire Patrol—W. B. Ogden, chairman. Committee on Laws and Legislation—C. L. Case, chairman. Committee on Losses and Adjustments—Geo. W. Bahh, chairman. Committee on Surveys—Frank Lock, chairman. Committee on Electricity—Joseph McCord, chairman. Committee on Origin of Fires—Frank Lock, chairman. Committee on Arbitration—Benoni Lockwood, chairman. Committee on Patents—Marshall S. Driggs, chairman. Committee on Membership—Henry W. Eaton, chairman. Committee on Water Supply—Henry W. Eaton, chairman. Committee on Fire Patrol Relief Fund—W. B. Ogden, chairman.

—The Hawkeye of Des Moines is preparing to enter several Eastern States through a general agency at Philadelphia.

—The Caledonian of Edinburgh has appointed John M. Stoney, Jr., its special agent for New Jersey, Maryland, Delaware and the District of Columbia.

—The 1906-1907 edition of the "Insurance Directory of Greater New York, Newark, Elizabeth, Jersey City, Bayonne and Hoboken," has been issued by The Insurance Record. It is a handy volume of 168 pages.

—Present indications point to a disruption of the Board of Fire Underwriters of Allegheny County if the ten per cent advance is forced through at the forthcoming meeting, as the Pittsburg companies are a unit in opposing the proposition, and state that they will write at old rates regardless of the action of the association.

THE WEST.

Reduction of Expenses in Chicago.

The following is a resolution adopted at the recent meeting of the Union, in connection with the reduction of expenses in Chicago:

Resolved as mandatory, That the Union pledges every member to the terms of the agreement of the Large Cities Association with reference to the reduction of expenses in the city of Chicago, and the union members of the joint committee are instructed to secure the co-operation of the Chicago local board and the adoption by it of a rule fixing the rates of brokerage in connection with the terms of the said agreement, and also a rule prohibiting the payment of salaries or any compensation to solicitors other or different than the brokerage rates therein provided. The members of the Union pledge themselves to instruct the Chicago local agents to vote for the adoption of the rules as to brokerage and solicitors above mentioned, and to themselves so vote if they are members of the Chicago local board. The said agreement to become effective on a day to be hereafter named by the committee making this report.

—The Ohio Field Club has elected C. B. Corry president; A. W. Jones, vice-president, and Neal Rowland, secretary-treasurer.

—It is reported that the Western Union expects to secure the membership of a number of prominent non-union companies in the near future, and is prepared

to offer liberal inducements in the way of concessions in time for clearing their agencies.

—The National Brewers of Chicago, which was organized last year, is to increase its capital to \$300,000.

—H. R. Prest, an examiner in the Western department of the National Fire of Hartford, has been assigned to Ohio to assist in field work.

—J. A. Scheib, of the Chicago local agency of Klee, Rogers & Cory, has been appointed Western special agent of the Western of Pittsburg.

—W. H. Zing, Minnesota special agent of the German of Freeport, has resigned to become special agent of the Connecticut Fire for Northwestern Minnesota and North Dakota.

—There is a rumor to the effect that some person has purchased control of the Indianapolis Fire. The price of its stock jumped from 149 to 152 a few days ago, and later to 165.

—The Denver (Col.) insurance agency firm of Lehman, Stewart & Arkush has changed its name to the W. H. Stewart Agency Company, as Mr. Stewart has purchased the old firm's business.

—James B. Wallace and Fred R. McVeity of Kansas City, Mo., have formed a partnership under the firm name of Wallace & McVeity for the transaction of real estate and general insurance business.

—The annual report of the Illinois Central Railroad shows that \$530,324 was paid from its insurance fund on the New Orleans dock fire of February last. Other fires consumed \$46,855, leaving \$1,782,212 in the fund.

—R. S. Critchell of Chicago, who was seriously injured in the Plymouth express wreck near Salisbury, England, reached home this week. He is still unable to walk, and it will be some time before he can attend his office.

—President Law of the Western Union has appointed the following-named gentlemen as members of the governing committee: A. J. Harding, J. S. Belden, J. M. Marshall, Jr., Fred. H. McElhone, Thomas E. Gallagher, H. C. Eddy, F. C. Buswell, W. H. Sage, Charles H. Barry. The committee organized by electing Charles H. Barry chairman and H. C. Eddy, vice-chairman.

—A preliminary meeting has been called for October 16 of the executive officers and committee men of the National Association of Local Fire Insurance Agents, together with the presidents of State organizations, to consider the reports of officers to be made to the convention on the following day, and other matters which may need attention.

—The Hamilton Fire of New York has taken up the agency of Godfrey & Hennessey at Detroit, Mich. M. Dugro Buttles, general agent and manager of the Hamilton Fire, is making a general tour of the West and planting agencies in the larger cities. He recently appointed E. H. Pierce of Salt Lake State agent for Utah, and Don M. Martin local agent at Omaha.

—Charles S. Lebo, special agent of the Queen City Fire, and Fred. B. Young and B. N. Anderson of the Chicago local agency of Brown, Anderson & Young, have organized a general agency under the firm name of Lebo, Anderson & Young. They will act as general agents for the Queen City Fire and the Illinois Bankers, having the Queen City for Illinois, Iowa, Indiana, Wisconsin, Missouri and Kentucky, and the Illinois Bankers for Minnesota, Michigan, Ohio and Wisconsin.

THE SOUTH.

—The Firemens of Newark is preparing to enter Georgia.

—The general agency firm of Brander & Co. (Inc.) of Richmond, Va., has been changed to Lecky & Ruffin (Inc.)

—The Commercial Union of London has withdrawn from Mississippi, owing to the difficulty of complying with the recently enacted laws of that State.

—The Home of New York will lead in the payment of losses due to the recent tornado at Mobile, Ala. The company is very popular among those having tornado risks to place.

—The West Virginia Association of Local Fire Insurance Agents has elected W. S. Foote president; J. V. L. Rogers and H. L. Alexander, vice-presidents; J. N. Hendrix, secretary-treasurer.

—An organization committee composed of S. Y. Tupper, Dan B. Harris and George T. Dexter has been appointed at Atlanta, for the purpose of establishing a branch office in that city of the Underwriters Salvage Company.

—At the recent meeting of the Eastern Union the action of the executive committee of the West Virginia Fire Underwriters Association in deciding to immediately enforce the new rates throughout that State, was approved.

—A. A. Weille of Vicksburg, Miss., has organized the Mississippi Inspection and Advisory Rating Company. He proposes to sell rates to the companies, and claims that his plan has the approval of the Attorney-General of that State.

—The Michigan Commercial of Lansing has appointed Rhodes, Browne & Co. of Columbus, Ga., its general agents for the Southeastern department, comprising Georgia, Alabama, Florida, North and South Carolina and Virginia.

—A meeting of companies having annexes was held this week to consider the situation presented by the new Mississippi law, which forbids one fire company to purchase or own a competitor in the business. It was eventually decided to submit the question to a Mississippi council.

MISCELLANEOUS FIRE NEWS.

Annual Meeting of the Fire Underwriters Association of the Northwest.

In spite of the fact that many members were obliged to remain in the field owing to press of conflagration business, the attendance at the thirty-seventh annual meeting of the Fire Underwriters Association of the Northwest, which was held in Chicago on Wednesday and Thursday of last week, was apparently as large as usual. The report of the secretary, Nelson E. Briggs, showed that the membership at the opening of the session was 715, and fifty-five new members were gained while the convention was in progress.

In the attention paid to the San Francisco conflagration, the session was similar to other gatherings of fire insurance men during the present year, and the temper of the speakers who addressed the members on this topic was obviously one of vexation over the "hysterical and unfair" criticism which the companies, and especially the Eastern adjusters, had been obliged to endure at the hands of the Western press and public.

In condemning this attitude, the speakers were in accord in insisting that when the catastrophe and the behavior of the companies afterward were viewed in their proper light, the new view was not lacking even in the heroic on the part not of a few, but of many of the companies.

In his annual address, retiring President R. S. Odell of Chicago called attention to the importance of the organization, not only as being the largest and oldest, but also as having a membership without any distinction as to affiliation or non-affiliation. He declared that the charge that the companies were in a trust was totally unfounded, and that on the contrary no business was conducted so openly as that of fire insurance. Referring to the San Francisco disaster, he declared that the companies have done everything in their power to meet their obligations and protect their existing policyholders. Millions of dollars had been paid in losses, and millions more added to the funds of the companies by stockholders.

In the annual address, U. C. Crosby, United States manager of the Royal Exchange, from New York, called attention to the grave danger of conflagration in the large cities and said that an educational movement should be set on foot to improve conditions in congested business districts. The conflagration hazard, he said, was the most important in the insurance business. Modern conditions had produced large congested districts with great concentration of values and buildings of great open area and height. The important thing was to prevent any fire reaching the magnitude of a conflagration, and to this end he urged the installation generally of a better water supply, and especially equipments of automatic sprinklers in all mercantile and manufacturing risks. Other recommendations were the protection of vertical openings and outside exposures by standard shutters or wire glass. He also deprecated the large expense ratio of companies in getting business in the large cities and advocated a decrease in commissions.

Otto E. Greely of Minneapolis, special agent of the Phenix of Brooklyn, who represented his company in San Francisco during the adjustment period, told of his experiences there and the difficulties confronting the companies in deciding what was fire and what was earthquake loss. He declared that the terms "dollar for dollar" and "six-bit" companies were mere nicknames and had no significance, as each company adjusted its losses according to its policy, paying for actual fire loss. He held that the earthquake damage was very severe, but that an organized effort had been made by San Francisco to belittle it, so that finally it was difficult for a claimant to be brought to admit that there was any earthquake damage at all. When the facts were established and the excitement had settled, public sentiment would uphold the position of the companies that insisted of allowance being made for damage by earthquake.

Franklin Webster of New York, editor of The Insurance Press, in a paper entitled "Peril and Defense," showed the immense values concentrated in scores of cities, a conflagration in any one of which would cripple the companies seriously. He said the insurance corporations could not stand the enormous strain and a movement would have to be made for better protection, more effective fire departments, and the introduction of every possible fire retardant.

A similar note was sounded by U. C. Crosby of New York, who maintained that conflagration risks in large cities could be materially lessened by the improving of individual risks. Henry E. Hess, manager of the New York Fire Insurance Exchange, spoke on the "Making of a Fire Insurance Library." He furnished a list of books which should form the nucleus of a working library. The last paper of the first day's ses-

sion was by C. H. Silkworth of Milwaukee, special agent of the Springfield, on the "Relation of the Special to the Local Agent."

At the second day's session of the convention the members were treated to an innovation in the appearance of a feminine speaker—the first instance of the kind in the history of the organization. The lady who enjoyed this honor was Mrs. Gertrude B. Blackwelder, president of the Chicago Woman's Club. She was introduced as an "insurance woman," as her husband is a well-known Chicago underwriter. If the delegates expected a severely technical address from Mrs. Blackwelder, they were mistaken, notwithstanding that her subject was "A Woman's Impression of the Insurance Business." Naturally Mrs. Blackwelder had heard her husband "talk shop" at home and she was prepared to tell the delegates that the insurance business was based on co-operation rather than competition, showing a greater advancement in this particular than most other business enterprises. For this statement she was cheered gallantly and then her listeners were told a lot they didn't know before about woman's clubs and vacation schools and other things in which woman's clubs are interested. Later on, Mrs. Douglas B. Welpton of Omaha, whose husband also is an insurance man, sang several ballads and again the men folks evinced their appreciation.

The temper of the convention was not so lovely as this throughout the session, however. Nearly all the speakers had a grievance to make known and most of them made it known in sharp, spicy language. The times were "out of joint," they told the convention, and it was high time that something was done about it.

Louls S. Amonson of Philadelphia thought it was time for the insurance people and the public to form a community of interest so that the fire waste could be reduced and the cost of insurance decreased accordingly. He declared that if the business men were approached in the proper spirit he felt assured that they would join hands with the insurance fraternity in an effort to minimize arson, carelessness and the various causes that contribute to great losses. He urged lower expenses, not in commission to agents, but in ratings, inspections, adjustments and similar items.

The paper read by Fred S. Penfield, Indiana special agent for the Germania, on "State Centralization of Supervision," was a lively one and occasioned considerable comment. Mr. Penfield criticized the centralization of rate making and the rate promulgation power in the hands of a company organization covering the entire West. He defended the action of the Indiana League in its recent contest with the State Board and the governing committee over rates in that State. According to Mr. Penfield, the policy of home rule and State supervision had resulted most satisfactorily in the instance of Indiana, and all the good that had been done in this way was being destroyed by the growing tendency toward autocratic centralization. Ultimately, he thought, this new tendency would result in anti-trust legislation.

E. J. Tapping of Milwaukee, president of the National Association of Fire Insurance Agents, also brought some grievances to the convention, which he aired in a paper entitled "Local Agents' Influence in Fire Underwriting." He took the ground that if the companies attempted to destroy the local agents' national organization, it would pass into the hands of the radical element and the companies would find that the association movement would soon drift into extreme trade union principles.

At the close of the convention there was a lively fight over the presidency, William L. King of Chicago, Western manager of the Providence Washington, defeating H. N. Kelsey of the Sun of London by 114 to 109. Mr. Kelsey is still in San Francisco, closing up the Sun's losses. C. G. Meeker, Illinois State agent of the Concordia, was elected vice-president, and N. E. Briggs of the North British and Mercantile, and W. R. Townley of the Western and British America were elected secretary and treasurer. The following were made directors: W. P. Benton of Indianapolis, C. L. Hecox of Columbus, A. A. Maloney of Kansas City, B. T. Duffey of Detroit, and G. E. Redfield, F. C. Haselton, C. E. Mann and Robert S. Odell of Chicago.

The convention was not without a social aspect, the more because many of the members brought the women members of their families with them. At times these gave rise to lamentations on the part of the chairman that sergeants-at-arms could hardly be expected to do their full duty with regard to restraining egress from the convention hall during the reading of the various papers, while at the same time no one blamed the feminine visitors for tiring of technical talk about the San Francisco fire. Moreover, there were the "bargains" on State street to be inspected and few of the ladies who appeared at a session with a half resolve to sit the session out were able to resist this temptation.

On the opening day a luncheon in honor of the visiting ladies was given by the members of the Ladies' Auxiliary of the Illinois State Board, headed by the president, Mrs. Guy A. Richards.

San Francisco Loss Payments.

According to The Insurance Field, payments up to the end of September are reported as follows by companies, these amounts being net sums received by San Francisco policyholders and not including re-insurances:

Aachen and Munich.....	\$2,003,688	Milwaukee Mechanics	\$1,280,000
American of Newark.....	928,566	National of Hartford	2,314,948
American Central	1,765,905	New Hampshire	600,000
Atlas of London	3,878,357	New Zealand	1,606,011
British America, Toronto....	706,839	Niagara	2,073,128
British-American, New York.	163,219	Northern of London	3,424,985
California	1,474,341	Northwestern National	503,750
Citizens	977,229	Pennsylvania	2,993,275
Connecticut	2,057,222	Phenix of Brooklyn.....	2,138,500
Continental	2,406,173	Phenix of Hartford	1,800,000
Federal	426,584	Phenix of London	3,805,975
Firemans Fund (on 20 per cent instalment)	1,527,025	Providence Washington	933,291
German-American	3,744,296	Queen City	159,270
Hamburg-Bremen	1,494,953	Queen of America	1,571,719
Hartford Fire	3,578,759	Royal	4,865,955
New York Underwriters.....	4,248,022	Royal Exchange	3,648,425
Home of New York.....	2,700,376	Scottish Union and National.	1,539,291
Law, Union and Crown.....	1,857,350	Springfield	1,486,529
Liv. and London and Globe.	4,168,031	St. Paul F. and M.....	1,792,070
London Assurance	6,785,377	Sun of London	2,500,000
London and Lancashire.....	5,755,612	State, Liverpool	790,093
Orient	1,118,770	Union Assurance	3,746,284
Mercantile F. and M.....	788,266	Western of Toronto	793,002
Michigan	325,000	Williamsburgh City	725,225
		Total	\$105,796,063

Amounts paid by other companies, as gathered from various sources, are given as follows, together with the date on which amount was reported:

Ætna, Hartford (September 1).....	\$3,360,843
Agricultural, Watertown (August 20).....	485,000
Atlanta Birmingham (July 20)	*19,500
Assurance Company of America (July 20).....	*19,500
Commonwealth, New York (July 20).....	*7,054
Concordia, Milwaukee (August 20).....	180,000
Commonwealth Fire, Dallas (July 20).....	*7,054
Delaware, Philadelphia (July 20).....	*71,293
Eagle, New York (July 20).....	*73,607
Federal, Jersey City (July 20)	*117,155
Franklin, Philadelphia (July 20)	*166,983
German, Peoria (July 20).....	*100,000
German, Freeport (July 20).....	*433,250
Germania, New York (July 20).....	*558,895
Globe and Rutgers, New York (July 20).....	*65,004
Insurance Company of North America, Philadelphia (September 24)...	3,239,361
National Union, Pittsburg (July 20).....	*56,770
Norwich Union, Norwich (July 20).....	*112,894
North British and Mercantile, London (July 20).....	*1,027,693
Pelican, New York (July 20).....	*51,753
Prussian National, Stettin (July 20).....	*122,250
Rochester German, Rochester (July 20).....	*103,090
Spring Garden, Philadelphia (July 20).....	*78,400
United Firemens, Philadelphia (July 20).....	*64,553
Westchester, New York (July 20).....	*271,222
Security, New Haven (September 31).....	287,000
Total	\$11,080,124
Grand total	\$116,876,187

* As reported to the Kentucky Insurance Department July 20, 1906.

Programme of National Association of Local Fire Insurance Agents.

The programme for the eleventh annual convention of the National Association of Local Fire Insurance Agents, to be held at Indianapolis, October 17-19, has been announced as follows:

WEDNESDAY MORNING, OCTOBER 17.

Address of Welcome—Charles A. Bookwalter, Mayor of Indianapolis.
Response—E. W. Beardsley, Hartford, Conn.
Reports—President E. J. Tapping, executive committee, Secretary Henry H. Putnam.
Introduction of new business.
Appointment of committees on resolutions and nominations.

WEDNESDAY AFTERNOON.

Reports—Joint conference committee, cotton conference committee, grievance committee, committee on ways and means, Treasurer W. H. Mandeville.
Addresses—"The Rating Problem in Fire Insurance," W. L. King, Chicago, George D. Markham, St. Louis, followed by open debate.
New business.
Roll call of States.
On Wednesday evening the agents having charge of the national convention will entertain the delegates with a smoker at the Commercial Club.

THURSDAY MORNING.

Roll call of States (continued).
Addresses—"Methods of Compensation to Local Agents," O. E. Johnson, Charleston, S. C.; C. S. Pellett, Chicago, followed by open debate.
Nominations.

THURSDAY AFTERNOON.

Roll call of States (continued).
New business.
Addresses—"Attitude of the Public Toward Fire Insurance," David M. Parry, Indianapolis, followed by open debate; "Story of the San Francisco Fire," W. N. Bament, chief adjuster Home, New York.
Thursday evening the Indianapolis Fire Underwriters Association and the Indiana Association of Local Fire Insurance Agents will entertain the visitors, ladies and gentlemen, at the German House.

FRIDAY MORNING.

Address—"Fire Insurance; Personal Factors and State Control," John Shephard, Chicago.
Open Debates—"Uniformity of Local Board Rates."
Reports—Committee on resolutions, committee on nominations.
Place of next meeting. Closing business. Adjournment.

—Burns Macdonald has resigned as special agent of the London and Lancashire in the mountain field.

—The Society of California Pioneers sent a communication a short time ago to the Continental of New York, voicing their appreciation of the prompt adjustment and payment of the loss sustained by them in the San Francisco conflagration, and incidentally assuring the company of their future patronage.

—The Southern of New Orleans and the Guardian Fire of Pittsburg are entering California. John J. Clayton will have the general agency for the northern and central sections of the State, with headquarters at San Francisco, and Robert W. Thomson of Los Angeles will be in charge of Southern California.

—The Transatlantic Fire of Hamburg has sent circular letters to the companies it reinsured requesting that all papers pertaining to losses where the Transatlantic has reinsured be forwarded to C. H. Ward, the company's San Francisco representative, for transmission to the head office in Hamburg for examination and final judgment.

—All but a small percentage of the San Francisco claimants of the Commercial Union, Palatine, Alliance, Norwich Union and Williamsburgh City have settled on the compromise terms offered by these companies. The latter's position of non-liability was argued before Superior Judge Hosmer recently at San Francisco, and decision after decision of the United States Supreme Court were cited sustaining the defendants' position as to their non-liability.

—A correspondent sends a report on the recent earthquake damage at Valparaiso, in which the destruction to property is summarized as follows: "Absolutely wrecked and ruined by earthquake, 50 per cent; destruction finished by conflagration following immediately on the heels of the earthquakes and others in the succeeding four or five days, 25 per cent; buildings with damages ranging from great to trifling, many of which will have to be razed, 25 per cent."

—We are advised by Insurance Commissioner Cole of Mississippi that the matter concerning resident agents, as contained in section 2654 of the law is correct as printed in the pamphlet (and in "Fire Insurance Laws, Taxes and Fees"), and that the clause permitting resident agents to allow a commission of not exceeding five per cent to outside agents or brokers, on insurance covering property owned by non-residents and controlled by agents or brokers licensed in other States, was purposely omitted, having been marked out of the enrolled copy of the law.

LIFE INSURANCE TOPICS

NOTES FROM PHILADELPHIA.

H. A. Bray, who recently retired as general agent of the Massachusetts Mutual Life, has become manager of a leading theatrical troupe.

The Travelers carries the liability insurance on the Market street subway, on which there was such a serious explosion last Friday. In addition to this loss, there was occasioned by that accident what was probably the most serious loss to plate glass insurance companies which has ever occurred in this city. Practically every pane of glass in the buildings on Market street, from midway between Fifth and Sixth streets nearly to Seventh street was shattered, the total loss running into several thousand dollars. The largest individual loss is that of the Wanamaker & Brown clothing store, at the southeast corner of Sixth street, the many large plates in this building being entirely destroyed. The United States Plate Glass of this city has the insurance on it. The glass in the buildings on Sixth street for about 150 feet north and south of Market street was also destroyed. A prominent plate glass underwriter expressed the hope that this disaster might bring about the formation of a compact for Philadelphia.

D. J. Walsh's Sons, prominent agents and brokers at 504 Walnut street, have been given an agency of the Metropolitan Surety for burglary business.

With but slight changes, the policy form at present in use by the Provident Life and Trust has been in use forty years. It was recently decided by the management, however, to adopt some changes which will be of such great benefit to new policyholders that agents will find it comparatively easy to sell the contract. The form which will

shortly be issued provides for annual cash surrender values, allows thirty days' grace in which to pay premiums, and makes the policy incontestable after one year from date of issue.

The organization of the Girard Mutual Life Insurance Company of Philadelphia has been completed, and Nathan T. Folwell has been elected president; Richard H. Wallace, vice-president and superintendent of agencies; Albert Short, actuary and secretary, and W. Oliver Craig, treasurer. The company will start on the mutual plan and shortly after reorganize on a stock basis. There will be no general agency agreements, commissions will be low, and each agent will make his contract direct with the company.

THE MIDDLE STATES.

—Over 7000 people applied to the New York Life for insurance in September, 1906.

—During September the New York Life paid 525 death claims, for \$1,620,704. Thirty-nine of these were on the lives of people who died within the first year after insuring, \$145,323.

—The Pennsylvania Mutual Life Insurance Company of Philadelphia, which has lain dormant for a number of years, has been revived with the following board of directors: Henry Brooks, John W. Phillips, John F. Moore, John F. Finney, Charles N. Brunn, Edwin F. Atlee, Dr. John B. Wurtz and John J. Coyle. The last-named, writing as president, advises us that the company has an authorized capital of \$2,000,000, of which \$1,000,000 has been subscribed. Care should be taken not to confound this company with the old-established Penn Mutual Life of the same city.

THE WEST.

—The late Edward Rosewater, editor of The Omaha Bee, carried about \$291,000 of life insurance.

—The late Aaron C. Bliss of Saginaw, Mich., carried life insurance policies aggregating \$200,000.

—Jonathan Clark Jackson, formerly with the Mutual Life in Chicago, has re-entered the insurance business as Chicago manager of the Federal Life.

—The Midwest Life of Lincoln, Neb., had in force \$335,000 of insurance at the end of September, 1906. This represents the amount written in the first five months of its existence. Each month has shown a satisfactory increase over the preceding one. During September it issued sixty-five policies, aggregating \$90,000 of insurance.

—The Lincoln National Life of Fort Wayne is about to enter Michigan, and is considering Ohio. Its first fiscal year ended Sept. 1, when it had \$1,681,000 business on its books, ninety per cent of which was twenty-payment life, and with an average premium on the whole of over \$37 per \$1000. From present indications, this record will be handsomely increased in its second year.

—Work has been started on the erection of a home office building for the West Coast Life Insurance Company of San Francisco. It will be located at the corner of Pine and Leidsdorff streets, the center of the financial district, and will be of reinforced concrete, seven stories in height. The contractors promise to have it ready for occupancy by April 1 next. The company will then have ample room to meet the needs of its growing business.

—The Supreme Court at Chihuahua, Mexico, has handed down a decision affirming the death sentence in the cases of Richardson, Harle and Mason, the New York life insurance swindlers. The men were convicted of murdering two men, Mitchell and Devere, for their insurance. Richardson and Mason were agents and Harle examining physician for an insurance company at Chihuahua. The men were arrested in El Paso, Tex., almost four years ago, and extradited, after a long fight. Richardson, whose real name is Leslie E. Hulburt, was at one time an attorney in Rochester, N. Y.

THE SOUTH.

—Thomas H. Hardcastle, formerly of Pittsburg, has been appointed manager in Maryland for the Security Mutual Life.

—W. B. Ware, a life insurance man of Henderson, Ky., has been convicted of violation of the anti-rebate law, and fined \$400.

—Courtenay Baylor has resigned as field superintendent of the Columbian National Life, to become agency director of the Louisiana National Life of New Orleans.

MISCELLANEOUS LIFE NEWS.

Life Insurance Developments of the Week.

Last Thursday it was known that Biscoe Hindman, general agent of the Mutual Life in Kentucky, had been dismissed in accordance with the policy recently pursued by the management in dealing with representatives of the company who do not show the desired amount of interest and zeal in working for the administration ticket. Mr. Hindman came to New York the early part of last week and went over the matter with the home officials, after which he went to Washington and there received notice of his dismissal. The agency committee, which is composed of H. H. Rogers, Julian T. Davies, Wm. H. Truesdale, Dumont Clarke and Wm. P. Dixon, issued a statement in which it pointed out that the by-laws of the company provide that, with the exception of the president and vice-president, no officers of the company shall be members of the board of trustees. To comply with this by-law in the few instances where managers or agents of the company have announced their intention of accepting nominations for office as trustees, this committee has felt impelled to terminate the contracts under which such managers and agents have been in the company's service.

About the same time this statement was issued, Calvin Tompkins, vice-president of the Mutual Life Policyholders Association, sent out a statement quoting a circular sent to managing agents of the Mutual asking them to return the circular with the signatures of ten prominent policyholders. The circular appeals to policyholders in general to support the administration ticket.

George R. Scrugham, manager of the International Policyholders Association, announced last week that campaign literature is being sent out, at an enormous cost, for the support of the New York Life's administration ticket. Mr. Scrugham says:

The latest "campaign circular" of the New York Life Insurance Company is contained in a large envelope bearing six cents postage. Enclosed in it is a large return envelope, on which is a two-cent stamp. The envelope contains six printed enclosures. The distribution of this campaign document could not possibly cost less than twenty cents for each, and if sent to the 800,000 policyholders of the company, would mean a total expense to the policyholders of \$160,000.

One of the highest officials of the company is said to have declared that not a cent of the policyholders' money was being expended in the interests of the administration ticket.

The international policyholders committee has sent out their ballots in advance of the New York Life and the company has taken exception to this move, claiming that this is an unfair advantage, and that the law provides that ballots shall not be mailed before October 18. The policyholders committee claim that the date, October 18, applies to proxies and not to ballots.

The Insurance Commissioner of Kentucky has taken a very high hand in matter of General Agent Hindman's dismissal. The Commissioner has written to President Peabody demanding an explanation of the reason for this action on the part of the management and threatens to revoke the company's license if the explanation shall not be satisfactory. President Peabody has signified his willingness to appear before the Commissioner on October 15.

American Life Convention.

The first annual meeting of the American Life Convention, the new organization of legal reserve life companies in the Central, Southern and Western States, was held at Look Out Inn, Look Out Mountain, Tenn., September 28 and 29, and was a success in numbers, interest and results. Thirty-four companies have united with the convention and twenty-seven were in actual attendance. This is the first attempt to organize the executive officers of the life companies into an association for the common good of the business; for interchange of ideas and acquaintance the Chattanooga meeting fixed the American Life Convention as one of the permanent institutions in the life insurance field.

The address of welcome delivered by J. B. Reynolds of the Kansas City Life, president, and the response by E. B. Craig of the Volunteer State Life were thoughtful discussions of the important topics which occasioned the meeting. The reports of committees awakened lively interest, especially those of the agency and medical examination committees presented by W. A. Lindly of the Security Mutual, Lincoln, Neb., and Dr. J. W. Johnson of Chattanooga. Samuel B. Smith of the Volunteer State Life opened the afternoon session with a strong paper upon "Federal Supervision, or Proposed Congressional Legislation and Uniform Laws." W. S. Wynn of the State Life of Indianapolis; H. W. Cochnower of Minnesota Mutual, St. Paul; Lucius McAdam of United States Annuity and Life, Chicago, and Charles C. Brooks of the Southern

Life, Fayetteville, N. C., read excellent papers upon valuations, and thereafter the members very generally participated in the consideration of the questions introduced, especially where the subject of valuations is affected by the Armstrong law and other proposed legislation.

I. Smith Homans, actuary of the Greensboro Life, presented the subject of "Dividends" in a manner which awakened the unreserved commendation of the well-informed practical men constituting his audience. The officers elected for the new year are: Charles E. Dark, Indianapolis, president; T. W. Blackburn, secretary and treasurer, Omaha. Executive Committee—J. B. Reynolds, Kansas City, Mo.; B. H. Robison, Omaha, Neb.; S. B. Smith, Chattanooga, Tenn.; T. R. Palmer, St. Paul, Minn.; Elliott Estes, Spartanburg, S. C. A vice-president was named for each State represented in the convention, and Indianapolis was selected as the place of the next annual meeting, the date to be fixed by the executive committee.

The following is the gist of the resolutions adopted:

Be it resolved by the American Life Convention, that we not only do not oppose, but invite reforms. We favor wholesome laws and their strict enforcement; we favor publicity; economy and strict statutory provisions as to the character of securities in which the trust funds of life insurance companies may be invested.

Investments—We favor laws limiting the investment to the following kinds and classes of securities:

Bonds of the United States, or of any State, county, city, town, village or duly organized school district therein; loans upon improved unincumbered real property in any of the States not exceeding forty per centum of the value of such property; that companies may own buildings for home office purposes; and may make loans on the security of promissory notes amply secured by pledge of any bonds in which such insurance corporations are hereby authorized to invest their funds; and may also make loans upon the security of their own policies not exceeding the reserve thereon.

Valuation—We believe the new business written each year should pay the cost of procuring same and be no direct or indirect charge on the old business for either the cost of procuring it or for the reserve thereon. We therefore favor the first year term method of valuation both in theory and practice and submit that it is safe, sound and scientific.

Forms of Policies—We are opposed to standard forms of policies on the broad ground that it interferes with the right to contract. We believe that in life insurance as in all other lines of endeavor the citizen has the absolute right to purchase such form of policy and to make such legitimate contract as is peculiarly suited to his individual requirements. The framing of standard forms prevents progress in the science of insurance, prohibits the citizen from procuring what he needs and places in a legislative bill unalterable rules abridging the right to contract in that line, more fully covers and touches the life of the average man than any other.

We believe that each man has a right to protect his estate as he sees fit and this right to protect his estate is as fixed as the right to protect his person.

National Convention of Insurance Commissioners.

The thirty-seventh annual session of the National Convention of Insurance Commissioners will be remembered chiefly for the decisive vote by which the gain and loss exhibit was adopted as a part of the uniform blank for life insurance companies. At Bretton Woods last year there was a tie vote on the question, but this year, with twenty-eight States represented, twenty votes were cast in its favor. The irony of fate is shown in the fact that the State whose representatives had most strenuously and consistently opposed the exhibit should be the first to insist upon its being furnished by legislation to that end. Inasmuch as New York specifically requires the gain and loss exhibit to be filed it became therefore immaterial, so far as that State was concerned, whether the convention made it a part of the blank or not, and for that reason New York was excused from voting on the question.

The principal opponent on the floor of the convention was Commissioner Vorys of Ohio, who argued that it would not secure the publicity desired as it could only be understood by actuaries, and, further, that it was largely a series of estimates. He also objected to it on the ground of its misuse and the liability to misrepresentation because of it. N. B. Hadley, the Deputy Commissioner of Michigan, was also vigorous in opposition to the exhibit, while B. F. Carroll of Iowa was its strongest supporter. The votes recorded in opposition were Connecticut, District of Columbia, Kansas, Michigan, Ohio and Pennsylvania. When the result of the vote was announced there was considerable jubilation among the "Cowboys," a name which the Western Commissioners who voted for the blank last year have taken to themselves.

Ten years of agitation on this subject have finally resulted in its settlement, and it is not probable that future conventions will have much trouble with it. At any rate good has resulted in the improvement of the blank. The form now adopted is conceded to be the best yet presented, its very elaborateness serving to make it more useful and to avoid the necessity for estimates on the part of the companies. A commendable suggestion was that the companies be given until the first of April each year, before filing this particular section of the annual report.

By this means more time is given for its preparation and greater accuracy in the several items secured.

When it was found that no report would be forthcoming from the committees appointed at the Chicago conference of February last, most of the interest in the convention died out, but at the same time it was manifest that the questions which the committee of fifteen has before it for decision are considered of vital importance and cannot be hastily disposed of. So far as the uniform laws are concerned, general approval was displayed, but the matters of standard policy forms and standard policy provisions cause wide differences of opinion. The bill relating to these matters as drafted seems broad enough to meet all views, for while it provides standard forms it does not compel the adoption of those forms, except at the option of the several companies, but does make imperative the use of standard provisions. That means that a company need not use the complete standard policy, but in such policies as it does issue it must use certain standard provisions, so that if the provisions of a company's policy are more liberal than those of the standard form, so far as advantages to the policyholder are concerned, it may adhere to them, the prescribed standard provisions not interfering with pecuniary returns under the contracts.

Of the various branches of the insurance business the only representatives to be heard on the floor were those from surety companies. The surety men have several perplexing problems arising for the solution of which they must resort to legislation. The address of J. T. Whelan of the Fidelity and Deposit Company of Baltimore on the limitation of the amount to be issued under a surety bond was a very clear exposition of the subject and seemed to meet with the approval of the Commissioners, while the draft of a uniform law on the subject was carefully preserved by them for future and private consideration. The paper of William B. Joyce of the National Surety, while extremely lengthy, was carefully listened to and furnished much food for thought. The representatives of the fraternal orders were on hand but were not heard on the floor, although they appeared before the committee on fraternal insurance. That committee presented a report recommending a law compelling all new orders to adopt adequate rates before being licensed, while the old orders must bring their rates up to a satisfactory basis by a certain date. This report was referred to the committee of fifteen, with instructions to draft a law on the subject, after an attempt had been made to have the convention's fraternal committee do the work.

Other business before the convention did not attract much attention. The committees on laws and legislation, unauthorized insurance, rates of mortality and interest, and reserves other than life failed to report. The committee on assets of insurance companies submitted a report recommending that the companies be permitted to invest funds along the lines laid down in the Armstrong report and in the bill recommended by the committee of fifteen, with the added recommendation that a ratable portion of assets should be invested in the various States from which these assets are derived.

There were a number of investigations extended for the session of 1907, but the claims of Richmond, Va., were pre-eminent and it was decided to go there. Colonel Buttons, the Commissioner of the State, promised that the convention would be well taken care of, and there was the added attraction of its proximity to the Jamestown Exposition, which many hope to attend. The election of officers was as usual, harmonious, the following ticket requiring but one ballot: President, George H. Adams of New Hampshire; vice-president, Reau E. Folk of Tennessee; secretary, J. J. Brinkerhoff of Illinois. Executive Committee—Joseph Button of Virginia, chairman; B. F. Crouse of Maryland, F. L. Cutting of Massachusetts, A. C. Scherr of West Virginia, and H. R. Cunningham of Montana. The new president won all hearts last year at Bretton Woods when he had just been appointed to succeed the late John C. Linehan, and there can be no question but that he will prove a fitting successor to the long roll of capable presidents. The retiring president, James V. Barry of Michigan, more than met the expectations of his confreres and will long be remembered for the excellent manner in which he discharged his duties during a particularly trying period.

Several Commissioners made their last appearance in an official capacity at this session, while others, although up for re-election and re-appointment, may succumb to the vicissitudes of politics. Commissioner Host of Wisconsin is now serving the last year of his term and is not a candidate for re-election. He has at least succeeded in keeping the Wisconsin Department well before the public. Commissioner Vorys of Ohio as usual commanded the respect and admiration of his col-

leagues. As one of them put it he is the ideal Insurance Commissioner, firm in purpose though open to conviction and of that judicial temperament which is capable of taking every phase of a matter under consideration. At the dinner tendered by Max Cohen of "Views" to the convention the applause which greeted Mr. Vorys' presentation as a future governor of Ohio showed the esteem in which he is held by all who know him. Another strong man in the convention is B. F. Carroll of Iowa, whose clear insight into the questions under discussion served often to keep the members from straying from the subject. Thomas D. O'Brien of Minnesota is another strong personality who will be missed if the mutations of politics should remove him from office. He has been very active in the movement inaugurated at Chicago last February, and as chairman of the committee of fifteen has worked with tremendous energy. He expresses a strong delight in his law practice and possibly would not feel it very deeply if he should fail of reappointment. It is hoped, however, that he will be fortunate enough to at least retain his office until the adjournment of the next session of the Minnesota Legislature so that that body may have the benefit of his advice in the enactment of the insurance legislation that is bound to come before it.

At the request of the president of the convention no elaborate programme of entertainment was entered upon, and the sessions were consequently well attended and sufficient time was had for necessary discussion. On Wednesday afternoon President Roosevelt tendered the delegates and guests a reception at the White House and greeted many of them by name before Commissioner Drake could present them. On the same afternoon a sight-seeing trip through Washington was indulged in on invitation of Mr. Drake, which proved a very enjoyable affair. The dinner tendered by Max Cohen of "Views" on Tuesday evening brought out the full strength of the convention and was voted a huge success. The introduction of a couple of street pianos by some enterprising New Yorkers caused considerable merriment, and the address of B. F. McFarland, president of the District Commissioners, was in such a happy vein that nothing was left to be desired. The diners tendered a well-deserved vote of thanks to Mr. Cohen for his delightful hospitality.

Proceedings of the Fifth International Congress of Actuaries.

The fifth International Congress of Actuaries convened at Berlin on September 10 last, and its sessions and entertainment occupied the entire week. The organizing committee, under the presidency of Dr. Hahn of Magdeburg, and with Dr. Alfred Manes of Berlin as secretary, made the most perfect arrangements for the gathering, the most important of which was the publication in two volumes of the papers prepared for discussion and the memoirs presented more for information than for debate. These two volumes were in the hands of the delegates to the congress before the opening of the sessions and are now ready for general publication.

Volume I. consists of the papers prepared for discussion and covers the following important topics: Industrial Insurance; Method of Calculating and Determining Extra Premiums for Hazardous Risks; Mortality Tables for Annuitants; Methods of Insuring Abstainers and Methods of Insuring Persons Whose Occupations Connect Them With the Manufacture or Sale of Alcoholic Beverages; Insurance on the Lives of Women; Questions of Taxes Imposed Upon Insurance Companies; Limits Within Which Insurance is Possible. No less than fifty-nine papers are included in this volume, the contributors representing the following countries: Belgium, Denmark, Germany, France, Great Britain, Holland, United States, Sweden, Switzerland, Austria-Hungary, Australasia, Asia and Japan. The representatives of the United States whose papers appear are: F. L. Hoffman of the Prudential, on Industrial Insurance; Arthur Hunter of the New York Life, on Mortality Tables for Annuitants; Sydney N. Ogden of the Mutual Benefit Life, on Questions of Taxes Imposed Upon Insurance Companies.

In Volume II. are found forty-nine papers on the following subjects: Methods of Conducting Mortality Investigations; Methods of Adjusting or Graduating Tables of Mortality; The Progress of Teaching of Actuarial Science in Schools and Colleges; The Progress of Insurance Legislation; Aids to Actuarial Calculation; The Uniformity of Legal Requirements, Especially as Regards Reports to be made to the Insurance Authorities; The Imperial (German) Office for Supervision of Insurance; The Imperial Office for Workmen-Insurance; The Imperial Statistical Office. The United States is represented in this volume by M. M. Dawson of New York; Herbert N. Sheppard of the Home Life, and Robert G. Hann of the Equitable Life of New York, on Methods of Conducting Mortality Investigations; James H. Gore of Washington, D. C., on the Progress of Teaching Actuarial Science in Schools and Colleges.

It is expected that Volume III., containing the proceedings and discussions of the sessions, will be ready before the close of the year. The papers are presented in either English, French or German as prepared by the writers, but each paper is followed by a synopsis in the other two languages, so that the views of the different nationalities may readily be comprehended.

The Spectator Company is now prepared to fill orders for the set of three volumes at \$12 per set. The first two volumes will be forwarded immediately on receipt of order, and the third as soon as received after publication. All orders should be addressed to The Spectator Company, 135 William street, New York.

The Insurance Year Book, 1906.

The new volumes of The Insurance Year Book, published by The Spectator Company, 135 William street, New York, contain a number of new features of especial value to the business. In the fire insurance volume will be found insurance details of the Baltimore and San Francisco conflagrations, the large fires of the United States and Canada in the last two centuries, and the summarized annual statements of all the fire insurance companies doing business in this country. This matter is in addition to that which has composed the volume in previous years and repeated in this. The life and casualty volume also presents new and desirable matter. The Year Book has now been issued thirty-four years, and has a widely recognized position of its own among standard annuals of insurance statistics.—The Weekly Underwriter.

The thirty-fourth annual issue of The Insurance Year Book, in two volumes, covering life, fire, casualty and miscellaneous insurance, has just been issued by The Spectator Company. The work is a cyclopedia of statistics covering all branches of insurance and including statutory requirements, statistics of foreign companies, life insurance tables and history, official reports and business by States. It gives detailed statements of companies, officials and comparative exhibits, besides containing directories of agents, adjusters and attorneys and a resume of fire departments and water supply of various cities and towns.

One volume covers fire and marine insurance, the other life, casualty and miscellaneous. The price is \$5 per volume or \$8 for the two.—The Insurance World.

There is no publication received in this office which is more frequently consulted and which is found to be of more general use to the Insurance Department than The Insurance Year Book, published by The Spectator Company.—W. D. Vandiver, Superintendent of Insurance, State of Missouri.

The two volumes of The Insurance Year Book are indispensable in our office, and in constant use, and you may be sure I am glad to obtain them from year to year.—Eugene J. McGivney, Assistant Secretary of State, in charge of Insurance Department of Louisiana.

Brown Book of Life Insurance Economics.

The 1906 edition of The Brown Book of Life Insurance Economics has been issued and an examination shows that it maintains the high standard set in former years. The author, Benjamin F. Brown of Boston, has for years made a study of life insurance statistics from a standpoint peculiarly that of the statistician rather than of the actuary, and has produced a work of great value. The present edition, besides bringing the old tables down to the close of 1905, presents a number of new exhibits, including a classified exhibit of individual company holdings of stocks, with average dividend rates at par, book and market values and also a showing of the yearly balances of profit or loss from investments, whether by sales or charging off of values, for the decade 1896-1905. The Brown Book contains 125 pages and sells at \$2 per copy, in flexible binding, the library edition costing \$2.50. Copies of this work may be obtained through The Spectator Company, 135 William street, New York.

—E. A. Linn, Springfield, Mass., has become manager of the Western Massachusetts department of the Mutual Life.

—The emergency fund of the Ladies of the Maccabees of the World has just passed the \$2,000,000 mark. This order was the first beneficiary society for women to investigate its mortality experience and adopt adequate rates. Its rate tables are now based on the National Fraternal Congress Table of Mortality with a four per cent interest assumption, the experience of the society having been found more favorable than that of the National Fraternal Congress Table. The change in rates was made at the last convention, which was held in 1904. It is expected that at the next convention, which will take place in 1907, a greatly improved condition will be shown.

Acknowledgments.

- Insurance Laws of New Jersey, 1906 edition.
- The Health and Mortality of the Cotton Mill operatives of Blackburn, England. By Frederick S. Crum.
- Bound volume LXXIV. of The Weekly Underwriter covering issues of January 6, 1906, to June 30, 1906, inclusive.
- The thirty-sixth annual report of the Insurance Department of Kentucky covering life, casualty and miscellaneous insurance.
- Detailed report of the Inspector of Insurance and Registrar of Friendly Societies, Province of Ontario, year ending December 31, 1905.

Casualty, Surety and Miscellaneous

The Future of Liability Business.

A superficial glance at the annual returns of the companies doing a liability business would almost induce the belief that the conditions were satisfactory, but a review of some of the existing evils, especially as they are likely to affect the future, may be timely.

It is many years since the companies then writing this line, about five in number, after a former futile effort, came together, driven by a common impulse of self preservation, to devise some means for securing reasonable rates for the indemnity offered. The work of the bureau resulted and to its efforts some of the companies to-day owe their strength and even their existence. The statistics compiled by the bureau were valuable in establishing a figure below which it was unsafe to go.

It was only, however, in the year 1905 that a number of States agreed upon a uniform law of loss reserve, which, if honestly adopted by all the companies, particularly those of recent date, must go a long way toward enforcing adequate premiums, or an impairment of capital or surplus, or both.

It will probably be admitted that all large premiums are attractive to brokers and to the new companies. The result is invariably an offer of a rate lower than the old, even when the old rate proved to be inadequate. It is generally admitted that there is little or no profit in big risks. Pittsburg, the center of so many large plants, is about the worst city for liability insurance.

The liability rates established by the experience furnished to the bureau contemplated certain fixed ratio for losses and for the expense of securing the business. If the cost of business be increased it must naturally be paid out of the margin of profit or encroach upon the surplus or capital of the company. How can the new companies expect to succeed in competition with the old? Agents having a volume of business upon their books are bought over by increase of commission and promises of free underwriting. The result in each case is the same. Increased commission means rebates to the insured, being, in effect, a reduction of rate, while "free" underwriting implies the acceptance of undesirable business and a larger loss ratio.

The intention of the new law to prevent inadequate rates by demanding sufficient reserves has been evaded in many cases by understating the number of accidents reported, and thus avoiding the necessary liability. Doubtless, some of the Insurance Departments will scrutinize the figures of the next annual returns, and where the number of accidents reported falls below the normal of 18.1 per annum per \$1000 of premiums, an investigation will follow.

Any one who has traveled on a large ocean steamship, and has noticed the captain or other officers on the bridge or in the saloon, enjoying beautiful weather, may think they have an easy snap, but it is the management of the captain and chief engineer in times of peace that carry the vessel safely through storm and stress. Prosperity all over the country for a few years has induced a sense of security among liability companies, although presided over by men utterly without experience, and it is quite as safe to believe that a liability company can be carried through a storm of adversity by a manager without experience as to expect a "land lubber" to navigate a vessel in a gale.

The large reserves of a casualty company having been in business some years, and having a large annual volume of premiums, enables it to accumulate a valuable interest income, which is sufficient to pay a handsome dividend on the capital, even if no profit be made on underwriting. The banking feature thus becomes almost as important as the underwriting. New companies paying commission larger than the old, with expenses heavier, rates reduced, and a selection of business against them, have no such income from interest upon which to encourage stockholders. It is difficult to see any great future for the new companies unless prudent methods, economical management, moderate commissions and adequate rates be made the platform for future success.

Bank Burglaries in 1905.

The annual report of the Pinkerton detective agency to the protective committee of the American Bankers Association shows that from September 1, 1905, to September 1, 1906, there were ninety-three forgers and swindlers arrested, of which sixty were convicted and fifteen released or acquitted. Sixty-six burglars were arrested, of which thirty-eight have so far been convicted. Seventy-one banks, not members of the association, were attacked, the loss being \$99,415, and seventeen banks belonging to the association were attacked and lost \$4217.

Casualty Notes.

—Robert B. Armstrong, president of the Casualty Company of America, who has been suffering from an attack of typhoid fever, is reported to be much better.

—A special meeting of the stockholders of the Standard Life and Accident will be held on October 23 to consider an increase of capital from \$250,000 to \$500,000.

—President W. B. Joyce of the National Surety recently had an opportunity to personally experience the great benefit to be derived from the use of the automobile bail bond or power of attorney, originating with his company.

—A. C. Vreeland and W. L. McConnell have been appointed general agents for Louisiana and Mississippi by the Ocean Accident and Guarantee and have opened offices at 716-17 Macheba building, New Orleans, under the firm name of Vreeland & McConnell. This firm succeeds Godchaux, Shelby & Mioton as agents of the Ocean.

—So successful have been the operations of the Nassau Casualty Company and the United Accident Company of this city in the sale of what purports to be a teams liability policy, but which in reality is a very different proposition; that a new company operating along similar lines has been formed and is styled the New Netherland Casualty and Fidelity Company.

—The heirs of one of the victims of the Grantham disaster in England have received \$10,000 insurance, which was effected at a cost of one penny. The insured was a regular subscriber to a London penny weekly which insures its readers against accidents and death. The day of the disaster he sent his bag, containing a current copy of the paper, duly signed, to the hotel at Retford, where he expected to pass the night. Within a few hours of his death the claim was examined, allowed and settled.

Surety Notes.

—Fred M. Blount, vice-president of the Illinois Surety, has been appointed superintendent of agencies of the company.

—The Frankfort Marine, Accident and Plate Glass Insurance Company has moved its San Francisco offices to the Monadnock building.

—The Minnesota Department is now after the Ministers Casualty Company of Minneapolis, which, according to the findings of the Department, is not in very good shape.

—Thomas Sanders, Jr., of the Metropolitan Surety has just returned from a Western trip. The company is planning to organize a mountain department with the head office at Denver.

—Wells S. Short of Orange City, Iowa, is endeavoring to interest the 1685 banks in Iowa in a plan to insure deposits. His plans call for a mutual company with a capital of \$500,000 or \$1,000,000.

—The Keystone bonding company has appointed James Ryan & Son of Buffalo its representative at that point. This firm is also representing the London Guarantee and Accident, whereas it formerly represented the American Fidelity.

—Walter W. N. Righter has been elected assistant treasurer of the Keystone Bonding Company. Mr. Righter was formerly a Princeton student, class of 1906. The company has opened a branch office in the Columbia Bank building, Wood street and Fourth avenue, Pittsburg, Pa., and Charles Wharton, Jr., has been appointed resident vice-president, L. Hays Cott, resident assistant secretary, and Joseph Vogel, Jr., resident manager. Watterson & Reid are the local counsel. The Pittsburg office will have charge of the entire Western section of Pennsylvania.

—Last week a hearing was given to the surety companies before Attorney-General Mayer, on the complaint that the companies were in a combination in restraint of competition. The Attorney-General said that he doubted whether section No. 7 of the stock corporation law regarding the fixing of prices of the necessities of life and commerce was applicable to this case. Section No. 7, he said, did not aim to prevent all monopolies, and he was undecided whether it was the intention of the legisla-

ture to direct the laws against this class or not. He then proposed an adjournment until he had looked further into the matter, and was satisfied that he had any jurisdiction. Pending this the Attorney-General asked that briefs be filed with him before November 12, citing the law, and cases to prove that the combine existed.

—The Oklahoma Supreme Court has just rendered a decision in the case of the Fidelity and Deposit vs. the Guthrie National Bank adverse to the company. The company furnished bond for an employee of the bank, who afterward defaulted. When the bond was executed, the president of the bank certified that the employee's accounts were correct. After his defalcation it was found that his books had been tampered with before the bond was made, and the company refused to admit its liability. The bank sued in the District Court and lost. It appealed and a new trial was granted, in which the company won its case, that second decision now being affirmed by the Supreme Court. The opinion, by Justice Burwell, holds that when the president of a bank answers such questions, his answers are to be taken as representations and not warranties, but that they must have been given in good faith and that any material false representations will relieve the company of liability. In this case the answers are held to have been given in good faith.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Caledonian Insurance Company, Edinburgh.

Semi-annual statement, July 1, 1906 (United States branch): Assets, \$1,979,288; reinsurance reserve, \$1,084,711; net surplus, \$707,577.

Calumet Fire Insurance Company, Chicago, Ill.

The San Francisco policyholders of the Calumet have practically decided to accept the offer made by the company to raise \$500,000 by special subscription and turn the fund over to claimants.

Without making provision for its San Francisco losses, the company's statement as of August 31, 1906, shows assets, \$529,682; reinsurance reserve, \$120,301; capital, \$200,000; net surplus, \$175,804. The claims against the company growing out of the San Francisco conflagration aggregate \$1,189,684, and the fund to be contributed by stockholders (if their offer is accepted), \$500,000, plus collectible reinsurance estimated at \$89,635, would provide funds for payments as follows: Legal claims on accepted policies, \$361,107; contested claims, \$39,585; reinsurance claims, \$188,943. If the plan is not accepted, and no contribution is made by stockholders, the total assets available for all creditors would be \$60,000 less than those to be provided for San Francisco claimants alone under the offer made.

Eastern Fire Insurance Company, Concord, N. H.

This company, which began business in April, 1905, reported assets as of January 1, 1906, of \$11,125, with a capital of \$10,000 and a net surplus of \$462. Its net premiums in 1905 amounted to but \$1354, its business being mainly local. Chas. L. Jackman is president, and Fred. W. Cheney is secretary.

Equitable Fire and Marine Insurance Company, Providence, R. I.

The Equitable Fire and Marine has announced to its agents and patrons that the company has liquidated every dollar of its liability resulting from the San Francisco conflagration, and that the entire amount has been provided from the company's net surplus.

German Insurance Company, Freeport, Ill.

The Policyholders League of San Francisco has decided that it is for the best interests of the San Francisco claimants against the German of Freeport and the German National of Chicago to accept payment of 60 cents on the dollar on adjusted claims. This plan has also been endorsed by the Associated Savings Banks of San Francisco. The company has recently written us concerning its San Francisco losses, and we will be pleased to furnish further information to subscribers writing us for same.

Hanover Fire Insurance Company, New York.

Semi-annual statement, July 1, 1906: Assets, \$5,056,826; reinsurance reserve, \$2,051,078; net surplus, \$476,309.

Indiana Lumbermens Mutual Fire Insurance Company, Indianapolis.

Semi-annual statement, July 1, 1906: Assets, \$82,478; reinsurance reserve, \$47,812; net surplus, \$34,666.

Iowa Manufacturers Insurance Company, Waterloo, Iowa.

This company began business in January, 1906, with a subscribed capital of \$100,000, of which \$25,000 were paid in, together with an initial surplus of \$2500. Further surplus, to the amount of \$22,500, was expected to be paid in in 1906. Those interested are chiefly local business men. W. W. Marsh is president, and Hermann Miller is secretary. The latter has been connected with various stock insurance companies and has been in the insurance business over twenty years. The Iowa Manufacturers will write fire, tornado, rent and plate glass risks.

Insurance Company of North America, Philadelphia.

Semi-annual statement, July 1, 1906: Assets, \$13,076,343; reinsurance reserve, \$5,516,948; net surplus, \$1,080,083.

Insurance Company of the State of Pennsylvania, Philadelphia, Pa.

Semi-annual statement, June 30, 1906: Assets, \$848,342; net surplus, \$66,176.

Liberty Fire Insurance Company, Rochester, N. Y.

The above-named company filed its declaration and charter in June, 1906, and is seeking subscriptions for its capital. The company proposes to have a capital of \$200,000, and an initial surplus of at least \$100,000, offering the first 6000 shares (par \$10 each) at \$15 per share, and announcing that the price for the remainder will be higher. It is also stated that insurance amounting to \$5,000,000 will be turned over to this company by several co-operative companies, and that for the first year the Liberty will confine its writings to New York State risks. Its officers are: President, Edwin R. Curtis; first vice-president, Rolison S. Bostwick; second vice-president, Fred H. Clum; secretary, Alfred J. Emptage; assistant secretary, Joshua Thorn; treasurer, Fred W. Cook. Messrs. Bostwick and Cook are, or were, respectively, president and secretary of the American Underwriters Fire Insurance Company of Monroe County, Rochester, N. Y. It is anticipated by the secretary that the company will be in position to commence business by January 1, 1907.

Liverpool and London and Globe Insurance Company, London

Semi-annual statement, July 1, 1906 (United States branch): Assets, \$12,234,948; net surplus, \$5,262,280.

Liverpool and London and Globe Insurance Company, New York.

Semi-annual statement, July 1, 1906: Assets, \$597,686; net surplus, \$207,386.

London Assurance Company, London.

Semi-annual statement, July 1, 1906 (United States branch): Assets, \$3,129,946; reinsurance reserve, \$1,308,026; net surplus, \$1,441,687.

Lumber Underwriters at Mutual Lloyds, New York.

The statement of the above association as of August 31, 1906, shows these assets: Cash in banks and trust companies, \$137,644; due from reinsuring companies, \$3,154; uncollected premiums (not overdue), \$19,168; brokerage and commissions due, \$2653; total, \$162,619. Its liabilities were: Reinsurance reserve (50 per cent of premiums), \$63,600; due reinsuring companies, \$5544; reserved for unadjusted losses, etc., \$3300; commissions and brokerage, \$4204; surplus (without reference to guarantee of individual underwriters), \$85,971. This association makes a specialty of lumber and woodworking risks, and its business has proved very satisfactory. Eugene F. Perry, secretary of the National Wholesale Lumber Dealers Association, is attorney for the underwriters, and the latter include some of the most prominent lumber dealers in the country.

National Lumber Insurance Company, Buffalo.

Semi-annual statement, July 1, 1906; assets, \$291,017; reinsurance reserve, \$40,263; net surplus, \$48,839.

National American Insurance Company, Philadelphia, Pa.

The organization of this company has been completed, with a capital of \$500,000 and a net surplus of \$500,000. It will commence operations on November 15. Louis S. Amonson will be president; Thos. K. Ober, Jr., vice-president, and James F. Stone of Stone, Mathews & Co., secretary.

Teutonia Insurance Company, New Orleans, La.

We are advised that all of the San Francisco losses of this company have been adjusted and paid, and that their payment does not change the net surplus of the company, \$82,975, shown in its semi-annual statement (previously published).

Union Insurance Company, Philadelphia, Pa.

An examination of this company by the Pennsylvania Insurance Department shows that on August 31, 1906, it had \$802,821 of admitted assets; its capital was \$200,000; its other liabilities were \$453,728 (including \$366,007 of unearned premiums), and its net surplus was \$149,092. In the first eight months of 1906 its net premiums were \$365,069, and its loss payments \$177,492. All of the Union's San Francisco losses, by reinsurance of the Pennsylvania Fire, were assumed by its stockholders under an agreement satisfactory to the reinsured company, so that the Union was entirely relieved of liability on that account.

TOO LATE FOR CLASSIFICATION.

—The Inter-State Hail Insurance Company is being organized at Fayetteville, Ark., with a capital stock of \$100,000.

—The Preferred Accident is again enlarging its New York branch office, and has taken nearly half of the third floor at 80 William street.

—The Circuit Court at Milwaukee has appointed Max Ascher receiver for the Wisconsin Grand Lodge of the Ancient Order of United Workmen, and its affairs will be wound up. The dissolution has grown out of the recent and frequent rate advances.

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VOL. LXXVII.

THURSDAY, OCT. 18, 1906.

No. 16.

THE LIFE INSURANCE ELECTIONS.

THE date fixed by law when policyholders in mutual life insurance companies may begin filing their votes for trustees of such companies is October 18, and for two months they will have the privilege of expressing their choice, the polls closing December 18. The votes are to be filed, in person or by proxy, with the respective companies, and will be counted under the direction of the Superintendent of Insurance. The Mutual Life, the New York Life, the Mutual Reserve, and the Security Mutual of Binghamton are the companies affected by this law. Each company has presented its ticket, the two last named submitting the names of the old boards of directors for re-election, and there are no opposition tickets. In the Mutual and the New York Life there have been many changes in the directorates during the past year, and a majority of the gentlemen now holding the positions are presented for election, nine of the Mutual trustees, however, not being candidates on the administration ticket. There has been some misunderstanding regarding the date when ballots may be filed, and many have already been sent to the companies.

There has been a vigorous campaign prosecuted against the Mutual Life's "administration ticket" because it contains the names of several gentlemen who have been associated with the company for many years, and the attempt is made to hold them responsible for the mismanagement of the former executive officers. The searching examination made by the Armstrong investigating committee failed utterly to connect any of these gentlemen with the delinquencies of the executive officers, and their long experience in the business makes them especially desirable in the formation of the new board.

A second ticket, named by the international policyholders committee, has been put forward, and is being urged with great pertinacity and much misrepresentation. The gentlemen named upon it are able, and of excellent reputation in their varied lines of business, but they have little or no knowledge of life insurance. Besides, they are scattered all over the world, only ten out of thirty-six being residents of New York and available for service at board meetings or upon the committees which have charge of the affairs of the company. It will be an experiment fraught with great dan-

ger to policyholders if they choose untried and inexperienced men to assume the responsibility of directing the affairs of such a gigantic corporation.

Still another ticket, known as the "fusion ticket," has been put forward, but who is responsible for it has not been made clear. It contains the names of some candidates who are on the administration ticket, some who are on the policyholders ticket, and of six gentlemen who have been agents of the company or otherwise identified with it. Policyholders will be solicited for their votes, and they will have to decide between the various candidates.

The New York Life has placed in nomination gentlemen of the highest standing, some of whom have been long identified with the company and are familiar with the business. The opposition to the gentlemen named is not so pronounced as it is to the Mutual's administration ticket, and there is little doubt of their election.

While policyholders have always been given the right to vote for trustees, they have seldom availed themselves of the opportunity, and it remains to be seen to what extent they will do so now. Public attention has been so emphatically directed to life insurance matters during the past few months that it is to be presumed that a large vote for trustees will be recorded.

* * * * *

The international (or iconoclastic) policyholders committee has directed its efforts especially against the Mutual Life, and has carried on a newspaper warfare of misrepresentation and denunciation against the administration nominees for trusteeships. They wish every man named to be defeated, and a reorganization of the company to follow, which would mean the dismissal of all the principal officers, heads of departments, etc., whose knowledge of the affairs of the company are almost indispensable. And what does this iconoclastic committee offer instead? They are intent on pulling down, but not on building up; they would destroy the vast machinery of a great corporation, that it has taken years to perfect, but they offer nothing to take its place. They clamor for the election of a new board of trustees, composed of men unfamiliar with the business, that shall make a clean sweep of everybody holding a position in the company, but they give no hint of the machinery they propose to install to handle the immense assets and the great volume of business of the company that belongs to the policyholders. Is this committee that is so intent on pulling down the edifice that has been erected at so much cost and labor, contemplating the boosting into favorite positions the men who have been leading the fight against the company? Are Lawson, Untermyer, Scrugham, et al., to man the ship when the veteran and trusty crew has been discharged?

The committee has spent hundreds of thousands of dollars in conducting this campaign against the companies, and the men who have supplied the money unquestionably look for rich rewards in case they succeed in electing their candidates for trustees. They cannot be suspected of making such heavy expenditures solely from philanthropic motives, for they are not so constituted. What is to be their reward if not found in securing control of the companies, including their millions of dollars of assets, and filling the offices with those who have furnished the sinews of war? Can the policy-

holders, whose vast property is at stake, take the risk of entrusting their interests to the men who have been maligning and misrepresenting those to whose experience, ability and integrity they owe the upbuilding of their companies,

ACCORDING to information which we believe to be reliable, some of the smaller fire insurance companies which were hard hit by the San Francisco conflagration have been resorting to most unbusinesslike methods in attempting to take advantage of the reinsuring companies. One of the plans which has come to our attention worked out somewhat as follows: The original writing company would induce the insured to assign his claim to an intermediary (really its own representative), after learning that the insured was willing to settle at, say 40 per cent of the adjustment. The company would then make claim upon its reinsuring company, and offer to accept payment on the basis of 60 per cent payments to the insured. At least one of the companies involved by reinsurance had its suspicions aroused, however, and, on investigation, discovered the true state of affairs and refused to pay except upon the basis of actual payments to the insured. A company official who would knowingly be a party to such a scheme is a fit subject for ostracism among decent and honorable underwriters.

AS THE SPECTATOR goes to press, the National Association of Local Fire Insurance Agents is in session at Indianapolis. One of its most alert, observant and influential members, George D. Markham, of St. Louis, has contributed a paper in which he attributes the hostility of legislators throughout the country to fire insurance interests to the dilatory tactics of the companies in connection with rating reforms. He argues that overrated classes cause "dissensions and divisions between companies, high expense ratios, excessive commissions to agents, local rate wars, multiple agencies, and other manifestations of eagerness to obtain 'easy money';" that the public believes that fire insurance is a monopoly, and that there is little use in trying to nullify this belief by showing that the profits of the business are not large. The weak points in the rating situation are the varying methods adopted for making rates, and the lack of a sufficient belief in the accuracy of the rates as promulgated, to lead agents to defend and uphold them. Mr. Markham holds that, to allay public irritation, it is necessary that the rates shall, in the main, "be as low as possible to still maintain the solvency of the insurance companies, and that rates shall, in fact, be equitably apportioned between classes of risks and localities. When rates are actually close and equitable, local agents will find it out and will defend the rating system, whether they have been admitted to a share in its direction or not, and the public will be satisfied because its just demand has been met." It is undoubtedly true that considerable differences in the rates upon similar properties lying near each other, but separated by a State line, have led to severe criticisms by the insured; and, in at least one case, has led to the enactment of a State law providing that "no rate on any fire insurance risk in this State shall exceed the rate on similar risks in adjoining States." Managing underwriters would indubitably be glad to place the rating of fire

risks upon a more uniform and consistent footing than now obtains; but in order to reach fair and just results, it is necessary to experiment more or less with the new ideas and systems which are put forth from time to time. Perhaps some settled plan will be arrived at within a few years.

* * * *

Mr. Markham very truly says that the first step toward securing just rates is to ascertain the exact fire cost of various classes of risks by joint classification. This has been advocated for many years by THE SPECTATOR, and an effort has been made at Chicago to classify the experience of a number of companies in the Western field. The scope of this investigation should be made national, and should embrace the business of all the companies. It ought to be possible to conduct such a joint classification under circumstances which would be satisfactory to all concerned, so far as relates to their reports of their business, and which would yield data from which could be derived rates, the justice of which could be readily demonstrated to the agent or the insured.

LIFE INSURANCE TOPICS

BOSTON AND VICINITY.

The proceedings at the legislative hearing of the recess committee on insurance last Friday were very tame as compared with those of the previous day and much more harmonious. The subjects for discussion were relative to the expenses of life insurance companies and the restriction of investments. No one appeared to make any suggestions that the law should be changed, but there was a solid phalanx of representatives of the Massachusetts companies who had very positive ideas that the laws, which had stood for sixty years without any breath of scandal attaching to them, were good enough as they were. The question of restricting investments to those prescribed for savings banks, as advanced by Louis Brandeis earlier in the year, was the axis around which the discussion revolved. The most clinching argument against the Brandeis idea probably was that advanced by Reginald Foster, representing the New England Mutual, that if a law were passed limiting Massachusetts life insurance companies to investments prescribed as necessary for savings banks, there would not be one-fifth enough securities to go around. He also pointed out that insurance companies must earn from three to three and one-half per cent as a minimum in order to maintain solvency. President Hull of the Berkshire, Bullock of the State Mutual, as well as a number of distinguished actuaries, also spoke opposing any changes in the laws. Tuesday, the hearing was devoted to the public accounting and auditing of life insurance accounts. Deputy Insurance Commissioner Hardison spoke concerning the efforts made by State departments to secure a uniform statement blank; and at the hearing there was a large attendance of actuaries and expert accountants. At Thursday's hearing the subject considered was surrender charges, paid-up insurance and incontestability.

NOTES FROM PHILADELPHIA.

The board of trustees of the Penn Mutual Life last week elected Clement B. Newbold and Morris L. Clothier trustees.

At the meeting of the Philadelphia Board of Burglary Underwriters, held at the office of the Fidelity and Casualty last week, it was agreed to continue the compact as heretofore in force. The following became members of the board by signing the compact: Shubert, Swan & Odiorne, for the Ocean Accident and Guarantec; Trotter Bros., for the New Jersey Plate Glass; Stokes & Packard, for the United Surety, and Billington, Hutchinson & Co., for the United States Casualty. The American Bonding had also signed, but its representative, E. R. Hunt, was asked by the company to withdraw his signature, because

it is averse to entering the compact. The companies not members are the American Bonding, American Fidelity, Central Accident, Metropolitan Surety, and Aetna. W. A. L. Laughton of the Employers Liability has not signed, but agreed to stand by the compact. A committee was appointed to visit the representatives of those offices which are not members, to see if they cannot be brought into harmony with the board, if they are still unwilling to become members. The committee is expected to report at the next meeting of the board, which will be held on Tuesday. A committee of two was also appointed to draw up a new form of policy.

A. A. Brown has been appointed manager of the Interstate Life of Indianapolis for Philadelphia and vicinity. His offices are at 792 Drexel building.

The offices of the new Girard Mutual Life of this city have been located on the fifth floor of Drexel building.

The offices of the Empire State Surety in the Drexel building, under the management of C. Elliot Reid, have been closed.

The Keystone Bonding has established headquarters at 606 and 607 Columbia Bank building, Pittsburg, for all of Pennsylvania west of Altoona.

THE WEST.

—John F. Eckstrom has been appointed State agent for Utah by the Mutual Benefit.

—Tod B. Galloway is back of the new casualty company being formed in Columbus.

—F. A. Bridge has resigned as manager of the Des Moines Life in Illinois, Indiana, Wisconsin and Michigan.

—The Federal Endowment Life Insurance Company of Chicago began business on September 8 as an assessment company.

—The Mutual Benefit has placed a number of counties in Eastern Iowa in charge of S. Griffin Ball, and this territory will form a part of the Dubuque agency.

—The Loyal Fraternal Home has been organized at Gallatin, Mo., by seceding members of the Fraternal Home of Hamilton, Mo., which was reinsured in the Kansas City Life.

—The Bankers Reserve Life's quarterly statement of September 30, 1906, shows balance on hand December 31, 1905, \$506,498; income, 1906, \$409,783; total, \$916,281. Disbursements, \$229,827. Total admitted assets, \$700,453; unassigned funds on basis of mean reserve, \$135,994. On September 30 the company had in force \$13,554,305 of insurance.

—The Bankers Union of Chicago, which was licensed last July by the Illinois Department, has opened offices and will issue policies combining life, accident and health insurance. E. C. Spinney is president, and it will be recalled that he was president of the Bankers Union of the World, of Omaha, which recently left Nebraska. J. B. Flynn, secretary; Miss M. Burdock, banker and assistant secretary, and W. A. Northcott, formerly head of the Woodmen of the World, are also identified with this new Chicago concern.

THE SOUTH.

—N. E. Crow has resigned as manager of the Metropolitan Life at Nashville, Tenn., to become secretary and general manager of the Inter-State Life, recently organized in Nashville.

—A prominent lawyer advertises in another column for position as traveling adjuster or auditor for an insurance company. He has had experience in both lines, and can furnish satisfactory references as to character, ability, etc.

—The Provident Life and Casualty Company of Charleston, W. Va., has been incorporated, with a capital stock of \$100,000, to do a life, health and accident business. The incorporators are Angus McDonald, V. L. Black, John Wehrle, S. P. Richmond and William Jones, all of Charleston.

—In rearranging its Kentucky field, the Mutual Benefit has assigned the counties of Gallatin, Owen, Franklin, Woodford, Jessamine, Madison, Rockcastle, Laurel and Whitley, and all counties east thereof, to William J. Cardwell, general agent for Eastern Kentucky, with headquarters in the Trust Company building, Lexington.

—The Louisiana National Life Assurance Society of New Orleans announces the appointment, effective October 1, of Courtenay Baylor as superintendent of agents. Mr. Baylor is a thoroughly experienced field man, having been for some years general agent in Western Massachusetts for the Phoenix Mutual Life and later field superintendent for the Columbian National Life. Under his energetic and capable management a productive field force will be rapidly enrolled in the ranks of the society. As this company does not and does not intend to resort to the production of business by selling stock or writing board contracts, or by any other means than straight insurance methods, it is not expected that the business will be large during the first few years, but that the amount written will be profitable and permanent. A fair amount of paid-for business is already on the books, and the outlook for the future is most excellent.

MISCELLANEOUS LIFE NEWS.

A Great Awakening in Life Insurance.

The Prudential starts the ball rolling in the fall campaign.—Millions of new business written.—Agents find that the public is educated to a better appreciation of life insurance than ever before, and there is no antagonism shown to life insurance as a business.—Other companies will no doubt fall in line.—Prudential agents testify that they never found prospects more willing to listen or more easily led to sign applications.—With new men, new methods and immense savings by the other companies, there is a great chance for all agents to take advantage of the present opportunity, and no doubt they will.

It is undeniably true that life insurance agents have found great difficulty during the past year and a half in securing new business for their respective companies. The speculations of individuals connected with the three largest companies, and the scandals resulting from the Armstrong investigation, exaggerated far beyond what the facts would warrant, and blazoned forth with every device that the sensational press could concoct to prejudice the people against life insurance, created a feeling of distrust in the public mind that not only caused many persons to forfeit their policies, but rendered the obtaining of new business almost impossible for a time. But there is no evil without some good connected with it, and the wide discussion of life insurance that has been going on has had the effect of educating the public to a better appreciation of the great beneficence that underlies the system of life insurance. It had the further effect of arousing the directors of the three companies that were especially investigated, and they forthwith set about the work of "housecleaning," with the result that delinquent officers have resigned or been dismissed from their positions, and their places have been filled by able men, who take an active part in the administration of the affairs of the companies. Thus new methods have been adopted, immense savings in expenditures have been made, and, in fact, all the evils of administration that were laid bare by the committee have been corrected, and such action taken as will ensure policyholders against their ever creeping into the business again. During the past few months the companies investigated have been examined several times by expert insurance examiners, accountants and special committees, and the reports of all these proclaim the absolute financial solvency of the companies, each having a large surplus over all liabilities. Thus the policyholders are shown to be abundantly protected, and every contract of insurance issued to be worth its face value at maturity. In fact, the policyholders have not lost a cent, but have simply been deprived of a portion of the dividends that might have been accorded them. Their policies are good for all that was specified in the contracts at the time they were issued and accepted. The companies, under their new managements, are in better condition to-day because of these exposures and the remedies applied than they were before the investigation, which is testified to by the investigating committee itself and all other expert examiners who have made thorough and unprejudiced examinations of the companies.

GREATER PUBLIC INTEREST IN LIFE INSURANCE.

So much for the companies that have had to stand the brunt of adverse criticism. There are many other companies in the field against which none of the charges made against the "three giants" are applicable. They are financially strong, conservatively managed, free from extravagance, and entitled to public confidence. Their business, however, suffered from the exposures that were made of misdoings in other companies, and they have been punished for sins they knew not of. But the insurance sensation has passed, and the public has begun to see the injustice of condemning the many because of the misdeeds of a few, and to recognize the fact that reform from within has eliminated the abuses complained of.

As the public mind is easily swayed, being often misled by sensationalism, so is it quick to right any injustice that may have been

done. Greater interest in life insurance is manifested, and it requires only active, earnest work on the part of insurance men to restore it to the proud position it formerly occupied.

NOW IS THE TIME TO ACT.

The time is ripe for company managers and agents to put forth their best efforts in behalf of life insurance, for the public, having recovered from the shock caused by the investigating committee, has been analyzing the situation for some time, and is now in a condition to discard their false impressions and to accept the truth. It is more than probable that the difficulties of which agents complain are due, to some extent, to their own apathy. They have felt that they "were up against" public opinion, and so have lost their old-time enthusiasm. Meeting with criticism or rebuff, they have relaxed their efforts, feeling that it was useless to exert themselves under existing conditions. Some were so discouraged that they quit the business of soliciting and looked for other occupation. But a great army of life insurance field men is still at its post, expert, intelligent and capable now of as successful effort as it was in the past. What the men composing this army needs is to be aroused, to be endowed with fresh enthusiasm, and to be convinced that the conditions are so changed from what they were that earnest effort on their part will bring their old-time success.

MORE PEOPLE WANT LIFE INSURANCE.

The education that the public has received of late has largely increased the number of persons desiring the protection afforded by life insurance, and all that is needed to secure their application is zealous, intelligent and persevering effort on the part of agents and solicitors.

GET THE AGENTS TOGETHER.

To reawaken the enthusiasm and loyalty of the field force, the officers of companies should get out and talk to them, as they did in times past. Get the agents together and talk to them in the old-time manner, giving them new arguments, and let them feel from actual contact with them, that the managers are as confident and as enthusiastic as ever, with a full determination to recover lost ground. The gatherings of agents in the days that are gone were full of inspiration, drawn directly from the head office, through visible contact with the men who were directing the destinies of the companies. The agents, facing them and each other, caught the enthusiasm, the spirit of "do or die," and it is well known that after such meetings the men returned to their work with a determination to better their records, and the result was a largely increased volume of business.

FACE TO FACE WITH THE EXECUTIVE.

Now is the time to renew these meetings, bringing the field men face to face with each other and with the executive officers of the companies. Give to the men the best tools of their trade, literature, argument, and the best goods to sell that the market affords, reawaken their enthusiasm, and the future will yield as good a harvest of new business as the past has done.

THE PRUDENTIAL SETS THE PACE.

The Prudential has shown that renewing these meetings of agents has brought forth good fruit. In September the officers called for an old-time "rally" of agents from the nearby districts at Newark, and the men responded with alacrity, there being scarcely an absentee. President Dryden, Vice-President Ward and Second Vice-President Forrest Dryden, and other officers were present and addressed the audience in glowing terms. Several of the superintendents also made addresses, and the meeting took on the same enthusiasm as formerly characterized such gatherings. So thoroughly were the men aroused that they then and there pledged themselves, each for his own district, a largely increased amount of new business. The words of encouragement they received filled them with new ardor and zeal, and they went forth among their people and made good their pledges, exceeding by considerable the amount of new business they had promised. Similar rallies were held at Trenton, in New York, New England, Pennsylvania, Ohio and other sections, all with the same result, pledges of increased business, and in every instance the pledges were made good with something over.

PROSPECTS SIGNED APPLICATIONS READILY.

The field men rushed at the obstacles they had thought insurmountable, carried them by direct assault, and by their activity and perseverance ascertained that the obstacles they had imagined were mountains dwindled into mole hills. It is the testimony of many of them that they never found prospects more willing to listen to them or more easily led to sign applications.

As evidence of how the agents warmed up to the business after these rallies, it is shown that in the week beginning September 10, following the Newark meeting, there was written in New Jersey over \$2,000,000 of new ordinary business, four districts giving over \$100,000 each. The week of September 24 was the reawakening in New York and Pennsylvania, the former State giving \$3,100,000 of new ordinary insurance, and the latter over \$3,000,000. Six districts in New York and eight in Pennsylvania gave over \$100,000 each for the week. New England, after the rally, gave \$1,800,000 ordinary during the next week, four districts giving over \$100,000. The New England solicitors for the industrial branch turned in new ordinary business during the week an average of \$2100 each. These figures show that the harvest is ripe, and only requires active work to gather it in. It also proves more than anything else that from now on there should be a grand forward movement in life insurance, as there is no genuine public hostility to life insurance as a business or to life insurance men.

OTHER COMPANIES GET IN LINE.

This new inspiration for the field force came from the executive officers of the Prudential, who went into the field as they formerly did, met the men on their own ground, and, by showing their own confidence in present conditions, by their ardor and their zeal, filled the men with new life, new energy, added loyalty to the company, and renewed confidence in the ability and integrity of the executive officers. The example set by the Prudential, and that is being persistently followed by its officers, is one that should be imitated by other companies.

Life Insurance Developments of the Week.

According to a press dispatch from Detroit, a body of Detroit men, representing "certain business interests" have issued, over their signatures, the following circular letter relative to the Mutual Life of New York.

At the approaching election of trustees by the Mutual Life Insurance Company three tickets will be presented. As policyholders, we believe that the best interests of the company demand the election of the administration ticket. The continuance of this administration, in our judgment, will result in efficient, honest and economical conduct of the company's business and will prevent the confusion that would result from a further change in management of its affairs. We earnestly recommend to all Michigan policyholders that they cast their ballots in support of this ticket.

This circular is signed by the following men, only one of whom is listed in Bradstreets: George Hendry, John H. Curry, John N. Bagley, A. C. Angell, W. K. Anderson, Robert E. Plumb, H. B. Ledyard, F. T. Durbarme, Frank W. Eddy, Jeremiah Dwyer, Andrew H. Green, Jr., and Theodore H. Eaton.

Last week the Association of Bronx Real Estate Brokers took a hand in insurance matters by passing this resolution:

Whereas, a large proportion of real estate owners, operators, builders, brokers and others are policyholders in the New York Life, Mutual Life and Equitable Life Insurance Companies; and

Whereas, statistics show that only from fifteen to twenty per cent of the assets of these companies are invested in real estate mortgages, most of the balance being in stocks and bonds or like Wall street securities, paying, on the average, about three per cent interest on the investment; and

Whereas, if this amount were invested in safe mortgages on real estate, which are acknowledged to be the best security it is possible to obtain, it would pay from 4½ to 5½ per cent, with the least risk to the company and its policyholders;

Resolved, That all interested in real estate at the coming election for trustees of these companies be requested to vote only for that board of trustees which will declare itself in favor of investing the assets of the company in good first mortgages instead of stocks and bonds, thereby securing to the policyholders larger dividends.

On October 12, a meeting of the policyholders of the New York Life and the Mutual Life was held in Lexington, Ky., and President Peabody was denounced in vigorous terms for suspending Biscoe Hindman, and Insurance Commissioner Prewitt was commended for his action in calling on the Mutual's president to appear before him and explain matters. Commissioner Prewitt addressed the association and urged them to vote

against the administration slate of directors and to "turn the rascals out."

A permanent organization was effected by naming Arthur Granger, president; Merion E. Taylor, vice-president, and Desha Breckenridge, D. L. Moon, William Adams, J. M. Stevenson and John Noel as an executive committee.

Calvin Tompkins of the Mutual Life Policyholders Association has addressed a lengthy communication to President Peabody, charging unfair means in securing support for the administration ticket and suggesting a joint tribunal to determine whether or not the company has secured illegal means to secure its candidates.

The National Association of Life Underwriters.

The seventeenth annual convention of the National Association of Life Underwriters will be held at St. Louis, Mo., commencing Tuesday, October 23. The headquarters of the executive committee will be at the Southern Hotel, and the committee will hold its meeting on Monday afternoon, October 22, at 1 o'clock. The convention will be held in the Olympic Theatre. There will be two sessions—morning and afternoon—on Tuesday, Wednesday and Thursday, the convention being called to order promptly at 9:30 A. M. on Tuesday, October 23. Among the convention and banquet speakers will be Governor Joseph Folk of Missouri; David R. Francis of St. Louis; Hon. Frederick H. Nash, former Deputy Attorney-General of Massachusetts and secretary of the Massachusetts commission to recodify insurance laws, Boston, Mass.; E. E. Rhodes, mathematician of the Mutual Benefit Life Insurance Company, Newark, N. J.; Hon. Charles G. Dawes, president Central Trust Company of Illinois and Ex-Comptroller of the United States Treasury; Prof. Sylvester F. Scovel, LL. D., professor of sociology (and former president) at the University of Wooster, Wooster, Ohio; Young E. Allison, editor The Insurance Field, Louisville, Ky., and A. Homer Vipond, president of the Montreal Association, Montreal, Canada.

All those who have not yet secured hotel accommodations are requested to confer at once with W. H. Herrick, Chemical building, St. Louis, Mo.

Arrangements have been made by the transportation committee for special rates from all points in the United States and Canada. In the purchase of tickets, delegates and alternates or guests of the convention must be particular to secure from the ticket agent a standard certificate of such purchase properly filled up and signed by said ticket agent, the same to be presented to the special agent of the railways who will be in attendance at St. Louis to vise certificates, which will secure the return fare at one-third the regular rate. Failure to get such certificates will prevent your return at the reduced rate as well as those of other delegates.

—Several former officials of the defunct American Mutual Life of Elkhart, Ind., have been indicted for perjury and for embezzlement of the company's funds.

—George A. Watson, for some time past business manager of The Chronicle, has disposed of his interests in that publication to Alfred B. Dawson, a son of Miles M. Dawson, the editor of the paper. Mr. Watson will continue his connection with insurance journalism, but has not yet determined upon where he will locate. His services are sure to be appreciated.

Industrial Notes.

—No one ever heard of a worked-out insurance field. Plenty of partly worked and just scratched territory, but none worked out.

—The Colonial's leading division managers are: Louis Janson of Williamsburg; L. P. Welsh, of Trenton; P. J. Lee of Paterson, and D. A. Mason of York.

—Agent Charles Moore of the St. Louis No. 3 staff of the Prudential has just entered class A of the Prudential old guard, as has also Assistant Thomas A. Higgins of the Manayunk district.

—Among the agents of the Life Insurance Company of Virginia who have been doing excellent work of late are: Hawkins of Narrietta, Sullivan of Roanoke, Kirk of Shreveport and Guthans of New Orleans.

—John Doran of Williamsburg has the high honor of leading all the assistant managers of the Colonial on the ordinary list for the year. Next to him is J. Kennedy of Brooklyn. R. H. Muench of Bronx leads the industrial assistants.

—The contest for supreme leadership among the managers of the Colonial on the industrial account this year is very intense. The honor at the present time belongs to L. P. Welsh of Trenton. Following him are: C. W. Hugg, Newark, and P. J. Lee of Paterson. The leading or-

dinary manager is also L. P. Welsh of Trenton, followed by Louis Janson of Williamsburg.

—The Northeastern Pennsylvania Association of Prudential Superintendents met recently and arranged a last quarter's contest on the basis of joint proportionate, the standing of the districts to be indicated on a bulletin to be issued from the home office.

—At the recent meeting of the Western Pennsylvania Association of Prudential Superintendents a contest in joint proportionate results was arranged for, to extend over the last quarter, the association being equally divided and a Captain appointed for each side.

—Alexandria leads the Virginia districts of the Life Insurance Company of Virginia in increase per man for the two weeks of the last quarter. Henderson leads in North Carolina, Rock Hill in South Carolina, Griffin in Georgia, Crowley in Louisiana and Anderson in Indiana.

—Assistant Mansfield of the Joplin district of the Prudential has taken up the challenge thrown down by Assistant Zimmer of Racine for a battle in joint results for the last quarter of the year. Assistant A. W. Pollard of St. Louis No. 4 also thinks he can beat Assistant Zimmer and the contest is on.

—The Prudential's leading superintendents in industrial are: J. M. Mackintosh, McKeesport; G. J. Wink, Wilmington; J. Reid, Milwaukee 1; L. F. Miller, Allentown; P. H. Showalter, Denver. The assistant leaders are: C. P. Wurster, Charleston; P. M. Russell, New Albany; S. P. Miller, Joplin; B. R. Cosby, Joplin; O. G. Gooden, Wilmington.

—As a result of the general enthusiasm which prevails among the field force of the Prudential, \$10,000,000 of ordinary was recently produced during one week in New Jersey, New York, Pennsylvania and New England. New England has challenged the whole field to battle with it, man for man, on a joint basis and it is certain that this bold stroke will put the rest of the Prudential's field force on its metal.

—The Prudential superintendents which are ahead in the production of ordinary increase this year are: Z. T. Miller, New York 8; D. Reinharz, West Hoboken; M. J. Leonard, New Haven; L. F. Miller, Allentown; J. J. Quigley, Red Bank. The assistants making the best showing in this respect are: M. Phillips, New Haven; E. C. Foppert, West Hoboken; A. H. Hinzpeter, St. Louis 1; G. W. Canning, Charleston; G. Schilmoller, Hamilton.

—Some agents know how to take advantage of claim payments to secure new business. This is simply an adaptation of the "Missouri" principle. People want "to be shown." Assistant B. R. Cosby of the Prudential at Pittsburg, Kan., adjusted a claim recently, and after doing so spent the remainder of the day in canvassing with another agent in the immediate neighborhood where the claim was paid. The result was fourteen applications, with premiums amounting to \$1.70, the advance collections being \$15.15.

—The Prudential has recently advanced the following agents to the rank of assistant: E. Tuerk, Jamaica; A. S. Morange, New Bedford; G. H. Beardmore, Philadelphia 3; L. D. Phinney, Watertown; H. L. Hipsley, Washington; J. M. Marshall, Denver; R. G. Krueger, St. Louis 2; C. R. Mills, Providence 2; J. T. Coughlin, Springfield; O. M. Jackson, Anderson; W. Zedaker, Covington; W. Y. O'Brien, Fort Wayne; A. E. Schock, Allentown; W. Sidney, Amsterdam; P. Youngentob, Harrison; J. T. Gosnell, Baltimore 2; H. A. McClung, Charleston; D. A. Bernhardt, Kansas City 1.

—During the week of September 3, Assistant Newhard of the Allentown district of the Prudential rounded out ten years of service with the Prudential, and in honor of the event he and his staff wrote eighty-three applications, for \$8.30, collecting \$16.50 on the applications. The district fell in line and helped to commemorate the event by writing 280 applications, for \$29.04. Assistant Newhard is the leading assistant in the district for 1906 in actual increase. In acknowledging receipt of his badge and certificate, Mr. Newhard says: "Reflections of the past ten years bring to my memory the vast business knowledge obtained through the instructions of this noble company and its executive. They have been years of profit mingled with trials and pleasure. I have always found that by following the strict rules of the company—persistency, honesty and confidence—one wins many friends and secures a large volume of new business for the company. I hope to be granted, with health, to live through the years of the various grades of membership in the Old Guard."

—The industrial insurance commission authorized by the Illinois Legislature to investigate workingmen's insurance has sent out communications to a large number of employers and to employees' organizations asking particulars of the operations of beneficial societies, par-

ticularly organizations connected with mines, railroads, factories and other establishments supported by contributions from employers or employees, and providing benefits in case of sickness, old age or death. Suggestions also are asked as to how the State law and administrative methods might promote the movement to provide such benefits for wage-earners.

—The Life Insurance Company of Virginia reports the following changes and promotions: W. G. Thompson, formerly superintendent of Sumter, appointed superintendent in Asheville, succeeding H. W. Shawhan; James Calk appointed agent in charge of the Sumter district; Assistant J. E. Rourke of Sumter appointed special traveling assistant; Agent W. R. Sanders appointed agent in charge of Florence, S. C.; Agent H. T. Kearse agent in charge of Darlington, and Agent T. C. Stokes agent in charge of Bennettsville. A Free Lance assistantcy has been formed in New Bern under the direct supervision of Superintendent Farrow. Agent A. T. Parker of Wilmington has been appointed assistant in that district, succeeding Assistant A. C. Holton.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

At the meeting of the Exchange last week, the rate committee reported favorably the proposal submitted at the September session to require the payment of \$1 upon each application for a revision of rates under the schedule. The sentiment of the members was evidently against the report, as a motion to lay the proposal on the table was carried with hardly a dissenting voice.

The Superintendent of Insurance has received several communications relative to the status of deposits, held here for account of foreign fire companies which are reputed to hold reinsurance contracts upon risks in San Francisco, which are the subject of loss claims. The evident object of the inquirers was to obtain some kind of pledge from the Department that these deposits will be held liable for the loss claims in question. We learn the Department has refused to be committed to any line of policy toward such claimants, none of whom are in any sense "policyholders." The Department answers all inquiries in the broad statement that the deposits will not be released until the claims of all policyholders in the United States are legally discharged.

The practice of exchanging reinsurances or of settling claims for reinsurance between companies interested in San Francisco by offset has been followed generally, leaving balance or surplus claims to be settled on the basis of the original claims. We heard of one case a few days ago wherein a certain New York company paid over to another a considerable amount on the basis of dollar for dollar of the sums involved on both sides; and as only a small sum was left over, a compromise was made and the entire debt for reinsurance discharged. Later it was learned that the company which received dollar for dollar only paid to the claimants at the rate of sixty cents on the identical policies reinsured. The other office paid claimants in full, but was evidently euchered in the reinsurance settlements.

The regular fire underwriters are demanding three and a half per cent for insuring automobiles, whether stored in a specified garage or insured everywhere under floater forms. Marine companies and the English Lloyds accept three per cent, but under a form which practically limits the loss to three-quarters of the value.

After the flurry in rates on cotton in bales, which followed the losses in the American Dock stores, Staten Island, we are informed the rates have gone down to the regular tariff charges. A few companies have sold out for higher rates, and for a couple of months obtained them; but the business has settled down to a normal basis. The new regulations which the Cotton Exchange agreed to enforce are not yet in general use, but the companies appear to be acting upon a delusion that, because these drastic regulations were adopted by the Exchange, the storage of cotton is now protected by the new rules.

A deluge of circulars from out-of-town companies of unknown financial condition continues to pour in upon brokers and their customers in this city. The idea which governs the promoters of these so-called fire insurance companies is that there are at least 1000 risks

in this city which are only half insured, and that it is only necessary to offer a policy upon any of them to have it snapped up as a matter of course. There are plenty of fools in this city, but not near as many as the wildcat operators outside suppose.

Nearly all the regular adjusters sent to San Francisco by New York companies have returned, and may be found at their desks as usual. Their stories of adjusters and insured, if gathered into book form, would afford some racy particulars.

It is reported that the investigation of the Exchange methods led to the discovery that the old files of the Tariff Association, which suspended in 1898, were intact, and that the previous information laid before the Exchange that these files were not available was incorrect.

An interesting question is likely to be presented to the Exchange and the New York Board simultaneously: whether the special committee on administration is called upon to allot office spaces and divide desk room of inspectors and surveyors of each body.

Underwriters interested in Brooklyn risks are getting anxious about the delay in filling up the openings for the subway on Fulton street.

George L. Shepley, of Starkweather & Shepley; Carl Schreiner, manager of the Munich Reinsurance, and C. F. Sturbahn, manager of the Rossia, arrived here last Thursday on the "Deutschland."

Richard J. Dunphy, attorney for the New York and New England Underwriters, has removed his offices from 21 Park Row to 19 Liberty street.

The many friends of Charles R. Watson, of 82 Beaver street, will be pleased to learn that he has completed arrangements whereby he is able to secure policies of a strong group of underwriters at London Lloyds, on acceptable risks in the United States. Mr. Watson's facilities in this direction are entirely independent of other Lloyds policies placed by other parties. He can obtain policies up to \$150,000 on the best risks of each class, written at full tariff rates and conditions, with a warranty that certain English companies are interested in the risks bound. Mr. Watson will not consider applications from the insured, but only from recognized brokers. Mr. Watson's present and past connections indicate the high esteem in which he is held among underwriters.

Some of the wise owls among the fire underwriters are comparing the latest returns of amounts actually paid by the companies in San Francisco and the July estimates of losses sent officially to the Department. The comparison shows conclusively that the companies were far, far out of the way in their estimates. When such good-intentioned companies as the Home and Continental and the Hartford were more than \$500,000 under the truth, it is not surprising all hands made errors. The returned adjusters are unanimous in their opinion that it was manifest to those on the ground that the estimates of the best companies were too low.

A telegram was received by a broker a few days ago from a Boston correspondent, inquiring how much he could place here "on Plymouth Rock" at one per cent. He was sorely puzzled by the telegram, but announced, hap-hazard fashion, "About two millions, if there is no woodworking expansion." The whole affair was explained the next day, when a letter came confirming the message, which, however, referred to the Plymouth Rock Clothing Company, and not the famous landing place of the Pilgrim fathers.

BOSTON AND VICINITY.

The Boston Board of Fire Underwriters has voted to request its tariff committee to consider the expediency of removing the fifteen per cent advance from those sprinkled risks in the city of Boston that are not apparently subject to the conflagration hazard, and where the competition of mutual companies and individual underwriters might be expected.

The Board appointed the following committees: To nominate officers for the ensuing year, James Bruerton, F. W. Porter, John T. Kaler, F. A. Denick, S. B. Reed. Members of the tariff committee for three months, Elmer A. Lord, W. G. Serratt, S. M. Crain.

At a special meeting of the stockholders of the Mercantile Fire and Marine Insurance Company, held in Boston on October 15, it was

unanimously voted to reduce the capital stock from \$400,000 to \$200,000. Some time in the near future another meeting will be called for the purpose of assessing the stockholders. This action is said to be the outcome of the San Francisco disaster.

Over one hundred agents from all over Massachusetts met in Worcester, the 10th inst., for the purpose of reorganizing the Massachusetts Association of Fire Underwriters. The convention was addressed by ex-President C. H. Woodworth, of the National Association of Local Fire Insurance Agents, and E. W. Beardsley, vice-president and secretary of the National Association; also by Herman Bird of Cambridge. The by-laws of the old State organization were adopted, the reorganization was completed, and the following officers were chosen: President, William Gilmour, Boston; vice-presidents, F. C. Church, Lowell; C. H. Cornish, New Bedford; W. S. Warriner, Springfield; C. B. Russell, Marlboro; T. H. Raymond, Cambridge; secretary and treasurer, E. P. Ingraham, Worcester.

NOTES FROM PHILADELPHIA.

The house committee of the Fire Insurance Society reports that the attendance at the lunch room must be increased in order to insure its permanence. The benefit given by the entertainment committee proved a decided success, resulting in the securing of considerable additional funds. A course of ten lectures on "Insurance and Insurance Law," by Morris Putnam Stevens, was inaugurated last Friday evening, and the lectures will be continued on each Friday evening to and including December 14.

Following the return of Charles E. Mather, of Mather & Co., from his trip to the Pacific Coast, comes the announcement of the placing of a branch office of that firm in Seattle, Wash., to better handle its business in that section. Joseph A. O'Brien of Mather & Co. sailed on the "Oceanic" last week for a couple of months' trip to Great Britain and the Continent.

In the test of the fire engines of this city which was continued by the Trades League last week, a couple broke down, and of the other engines in the service it is admitted that because the boilers have been in use so long engines 46, 47, 48, 49 and 50 will have to be rebuilt.

On Friday last it was announced that the new issue of 5000 shares of stock of the Fire Association of this city had been over-subscribed. Par is \$50, and the new stock was sold at 300. The first instalment was due on Monday last, but \$250,000 had already been paid in last week.

It is reported that the directors of the General Adjustment Bureau are about to open an office in this city.

Fred. G. Clark of Williamsport has resigned as Western special agent of the National Union Fire of Pittsburg, and has accepted and will shortly take up his duties as special agent of the Mechanics of this city for Pennsylvania, New Jersey and Rhode Island.

Sixty-six shares of Mechanics stock sold at auction last week at \$46 per share, an advance of \$1.

W. Bennett Gough and D. J. Walsh's Sons get agencies of the Fidelity Fire of New York, and the last named firm also get the Union Fire of Buffalo.

L. M. Addis has been appointed second agent of the Buffalo Commercial and sole representative of the Shawnee Fire of Topeka, Kan.

The Alliance of Philadelphia has called a \$5 assessment, payable November 15. This is the last assessment under the call of \$15 made last summer.

J. Harry Sommers, for many years a leading insurance broker and agent in this city, died last week.

S. D. Hawley & Son have been appointed sole representatives of the Old Colony of Boston for Philadelphia and vicinity.

THE MIDDLE STATES.

—The directors of the General Adjustment Bureau have decided to open a branch office at Philadelphia.

—The Southern Fire of Lynchburg, Va., has been admitted to New York

State. Newman & McBain of New York have been appointed metropolitan district agents of the company.

—The Alliance of Philadelphia has called a \$5 assessment payable November 15. This is the last assessment under the original call of \$15.

—The Firemans Fund has been admitted to New York State. The new company is now entered in all the States of the Union except Ohio.

—C. Martin Brand, formerly connected with the German-American Fire of Pittsburg, has been appointed manager of the Keystone Underwriters.

—The committee on fire protection of the National Board of Fire Underwriters has completed its investigations into the fire protection obtaining at Harrisburg, Pa. The fire department service is characterized as poor and the water supply adequate, but distribution system too small. There is no serious conflagration hazard outside the main district.

THE WEST.

Memorial for Adolph Loeb.

Adolph Loeb of Chicago, who died last week, was the head of the local agency firm of Adolph Loeb, Son & Co. He was president of the Cosmopolitan Fire Insurance Company and United States manager of the Transatlantic Fire Insurance Company of Hamburg. Mr. Loeb had a host of friends in fire insurance circles to whom his death is a severe blow. The attendance at the memorial meeting of the Chicago Board of Underwriters was unusually large. A memorial was presented by a committee, and many tributes were paid to the deceased's unvarying kindness and sympathy which had endeared him to his associates, together with his many works of charity in connection with the administration of the Baron Hirsch fund in this country. The funeral was held on Wednesday afternoon last at Sinai Temple. The deceased leaves a widow, three sons and five daughters.

Ohio Notations.

[FROM OUR SPECIAL CORRESPONDENT.]

The Columbus Board of Fire Underwriters has broken its record by admitting Miss Blanche Bugh and her sister to membership. They are the first and only women to be admitted to membership in the history of the organization. When Miss Blanche Bugh applied for membership some time ago, she was refused, the reason being assigned that there was no provision for the admission of women to the board. Since their admission the board has been silent as to the reason for its action, but the firm has been more than ordinarily successful during the first year of business and this may have been the reason.

Depositions are being taken in the case of Daugherty & Todd, attorneys of Columbus, against William M. Hahn and his wife. It will be remembered that the new York authorities made a strenuous effort to secure Hahn through requisition because of his connection with the old Manhattan Fire, and the firm of attorneys defended him. They placed their fee at \$5000 and received but \$2000. They are suing for the difference. They claim that Mrs. Hahn agreed to see that the fee was paid and that she is now the one who owns the property of the family. She has denied any agreement to that effect.

Rates on risks on High street from Broad to Mound in Columbus have been issued. They provide for an advance ranging from twenty-five to fifty per cent, but may be reduced by improvements that will be recommended. It is said that no increase at all has been made upon modern buildings that are not exposed too greatly by surrounding structures.

The fire loss in Columbus for September was \$7500, a good showing as compared with other cities.

It seems probable that the affairs of the old Buckeye Mutual Fire of Shelby will be opened up again, from inquiries made at the office of the Attorney-General in Columbus. The trustees' report showed that all of \$56,672 collected, with the exception of \$3324, had been used up in fees and expenses. A suit was afterward filed and the court ordered that \$13,000 be distributed among policyholders, there being 130 claims. Now, it is said by the Maymen Milling Company of Monroeville and William Gordon of Port Clinton, administrator of the estate of Washington Gordon, that they did not receive anything, although receipts were signed by someone.

Cincinnati agents have selected a block in which the Dean schedule will be applied as an experiment, and the results will then be compared with the figures produced by the system which is being used in this State. They desire to ascertain the difference between the two systems.

O. M. C.

Cleveland, October 13.

Chicago Observations.

[FROM OUR OWN CORRESPONDENT.]

While the Dean schedule was adopted at the recent quarterly meeting of the Chicago Board of Underwriters, it will not become effective until a committee, not appointed as yet, passes upon the method by which it shall be applied and fixes the date when it shall go into force. There was no discussion of the schedule, and the present situation is such that the agents will still be able to temporize in their crusade against the proposed reduction of their commissions in Chicago. The committee to be appointed, it is understood, will take their time about passing on the proposition.

The German National Fire Insurance Company has been made defendant in a \$25,000 damage suit brought in the Circuit Court by C. W. Hunsche, formerly its Cook county manager. Mr. Hunsche charges the company with having him falsely imprisoned and with injuring his reputation. The case grows out of a misunderstanding over the collection of premiums. Mr. Hunsche had charge of the company's local business, while acting as its manager, receiving both salary and commission. Trouble began when Mr. Hunsche resigned last July with some of the premium money he had collected still in his possession. Mr. Hunsche, according to his own statement, placed the premiums with other companies in order to serve the interests of his clients. The company objected and had him arrested. On hearing, he was discharged.

Chicago, October 15.

LA SALLE.

—The Virginia State is entering Missouri.

—The town of Sulphur, I. T., has imposed a license fee of \$5 on each agent.

—The Sea of Liverpool is preparing to enter Missouri and other Western States.

—The Imperial Fire of Denver, Col., has applied for admission to Utah and New Mexico.

—The Granite State Fire takes the place of the Eagle Fire Company in the St. Louis agency of F. C. Whittemore & Co.

—A. S. Leifield, formerly with Charles L. Whittemore, has opened an office as an independent adjuster for the companies at St. Louis.

—Thomas R. Collins has been elected secretary of the Underwriters Salvage Corps of St. Louis, succeeding the late Charles F. Miller.

—The Ohio Retail Grocers Mutual is being organized at Springfield, Ohio. The officers are: E. G. Ashley, president, and W. H. Cook, secretary.

—The Sun of New Orleans has been admitted to Illinois. Cunningham, Rogers & Rollo of Chicago have been appointed its Cook county managers.

—The town council of Wilburton, I. T., refuses to take off a tax of \$12 a year on all fire insurance companies, which was recently imposed, notwithstanding the ten per cent increase in rates.

—D. S. Creamer of Ohio was elected president; Lloyd T. McGill, Jr., of Maryland, vice-president, and Edward Peterson, of Minnesota, secretary and treasurer of State Fire Marshals Association.

—H. O. Sage, formerly in partnership with W. L. Bierce of Detroit, has renewed the connection, and the new firm has been appointed general agents of the Dixie Fire for Michigan, Minnesota, Ohio and Wisconsin.

THE NEW ENGLAND FIELD.

Changes in Security of New Haven.

At a recent meeting of the directors of the Security Insurance Company of New Haven, Charles S. Leete resigned the presidency of the company and was elected chairman of the board of directors. Mr. Leete was president of the Security since 1885. John W. Alling, vice-president and general counsel of the company, was elected to succeed Mr. Leete, and Charles E. Curtis, vice-president of the City Bank of New Haven, was elected vice-president.

MISCELLANEOUS FIRE NEWS.

National Association of Local Fire Insurance Agents.

[SPECIAL DISPATCH TO THE SPECTATOR.]

Indianapolis, October 16.—Something is doing in Indianapolis. Scores of fire insurance agents from all over the country are pouring in to attend the eleventh annual convention of the National Association of Local Fire Insurance Agents. President E. J. Tapping and staff arrived and have opened headquarters at the Claypool Hotel.

Hot Springs, Norfolk and St. Paul have opened campaigns for the next convention. The St. Paul delegation arrived Sunday night and has been working hard ever since. It has rented a large section of the Claypool

Hotel and seems determined to win the convention. It has come well supplied with confectionery, cigars and other refreshments and is dispensing sociability with a lavish hand. This, it assures the delegates, is but a small sample of what they will receive if they go to St. Paul next year. The delegation in reality represents both St. Paul and Minneapolis, the two cities having united in extending an invitation for the next convention, and if it is accepted sessions will be held in St. Paul and Minneapolis alternately. A general opinion prevails that the next convention will go to St. Paul.

A feature of the opening session will be an address by Senator Albert J. Beveridge, on "The Relation of Congress to Fire Insurance."

President Tapping will give careful attention to details in the organization of the convention. He will urge the employment of one man to be at the call of the agents to arbitrate any controversies that may arise. He will oppose all rate wars.

The State convention of local fire insurance agents was held here to-day and was a record breaker for attendance. It gave a great impetus to the interest in the National convention.

Much interest is being manifested in the first annual meeting of the National Association of Casualty and Surety Agents, which will be held Friday following the last session of the fire agents convention.

The reports of the various committees at the convention of the National Association of Local Fire Insurance Agents were replete with interesting and appropriate subjects regarding the agency movement.

The executive committee was of opinion that the evils of the business, multiple agencies, overhead writing, etc., cannot be eliminated unless the companies take a decided stand against them and heartily co-operate with the local agents' association in efforts to correct them. Local agents are in a way co-partners with the managers, and are all working to the same end, viz.: the ultimate good of the companies.

The most important subject considered by the joint conference committee was the practice of some companies and agents of furnishing policies written in accordance with the underwriting methods prevailing where the risks are located for brokers who use them to float sub-standard insurance and thus deceive propertyowners and injure companies and agents.

The report of the cotton conference committee dealt largely with a resume of the cotton situation prior to the organization of the Cotton Insurance Association under the management of F. M. Butt of Atlanta, Ga. Under present conditions, the report said the local agent is provided with facilities for bidding on covers of the larger cotton buyers and at rates, offering an inducement in many cases, to secure the divorce of the interior risk from the marine end, thereby inviting a return to former customs, namely, providing strictly fire insurance in the interior, the marine insurance being effected only when consignment is received by the steamship company. Illustrations of class "A" and class "B" contracts were also given in the report.

The report on the work of the secretary's office had attached a printed schedule giving detailed information regarding the following subjects taken up and handled through the secretary's office: Surveying, soliciting or non-recording agencies; sole agencies; non-resident brokers; rate wars; ownership of expirations; obligations of agents to companies.

The committee on ways and means reported that in order to adequately maintain a properly equipped office force and to provide for the publication and distribution of The American Agency Bulletin the National Association should have an annual income of not less than \$15,000. The report went on to say that if the above amount is equitably distributed among the various State associations in proportion to the premium receipts of each State and the agents of the State contribute in proportion to their premium income, the necessary funds can easily be raised. As an illustration of the operation of this plan, the committee has applied it to thirty-one States having active associations, through which medium the National Association can look for co-operation. On the premium receipts of these States, amounting to \$189,559,000, the percentage, if the entire amount be raised from this source, will be seventy-eight one-thousandths of one per cent. The distribution among the States were given, ranging from \$2980 in New York, to \$50 in Utah. The committee opined that with well-directed effort, a sum sufficient to take care of the expenses of the National Association can be easily raised.

San Francisco Jottings.

The Northwestern National of Milwaukee has paid out over \$479,000 to its San Francisco claimants. Its net loss will be about \$560,000.

The Northwestern Fire and Marine of Minneapolis has notified its agents that up to October 1, San Francisco losses amounting to \$98,400 had been paid, and that after setting aside a further sum of \$53,622 for unsettled claims, a net surplus of \$83,854 remains. The company also

announces that by January 1, 1907, the capital stock will be increased from \$200,000 to \$300,000 and the net surplus to \$200,000.

A number of California agents have recently joined the National Association of Local Fire Insurance Agents and are interested in having a State association formed on the coast. They seem to think that the conflagration in San Francisco has made the opportunity ripe for such a movement.

The State of Liverpool will pull out of San Francisco.

Up to October 1, the Firemans Fund paid \$1,527,025; the Union of London, \$3,743,285, and the Law Union and Crown, \$1,857,351 to San Francisco claimants.

The plea of act of God set up by the Transatlantic Fire of Hamburg as a ground for denying liability on a policy which became a claim owing to the San Francisco disaster, was of no avail in a recent suit brought by one Newburgs against the Transatlantic before Judge Cook in the Superior Court. Judgment was given for the plaintiff, including interest and costs.

The San Francisco Board of Supervisors has recently received a communication from the Merchants Association of that city, urging the installation of an auxiliary high-pressure salt-water system for fire protection in the congested district of San Francisco, and the construction of underground cisterns throughout the business and residential districts.

Secretary Cremer, of the German of Peoria, has returned from San Francisco and announces that the company has settled nearly ninety per cent of its liability in that city. The German had 700 claims arising from the conflagration.

Albert R. Hosford, chief adjuster of the Royal of Liverpool and the Queen of New York, has completed his labors in San Francisco. The total number of claims against the Royal and the Queen aggregated 3136. The total payments up to October 10, without any discount, were \$7,445,950; \$5,673,646 being paid on Royal policies and \$1,772,302 on the Queens. There are but few claims remaining.

William Thomas, Oscar Sutro and F. W. Dohrmann are the commissioners selected to go to Hamburg in the interests of the San Francisco policyholders of the North German, Austrian Phoenix, Rhine and Moselle and the Transatlantic. They sail for Europe from New York on November 6.

It is reported that the officials of the North German of Hamburg may make an offer, in the near future, to settle the company's losses in the San Francisco disaster on a percentage basis.

The Pacific department of the London and Lancashire Fire is now permanently located at 2101 Van Ness avenue, San Francisco, Cal.

Better Building Laws Needed.

C. G. Smith, secretary of the German-American Insurance Company of New York, and chairman of the committee on construction of buildings of the National Board of Fire Underwriters, which committee compiled the building code recommended by the National Board, last week delivered an address before the International Association of Fire Engineers, at Dallas, Tex. His topic was: "In order to lessen the enormous fire waste in this country, is it not advisable for this association to take radical steps for better building laws?" Mr. Smith took the affirmative on this question and said, in part:

No body of men more fully understands the importance of reducing the enormous annual fire waste in this country and the necessity for the general adoption of ordinances to regulate the construction of buildings than the fire engineers now in convention assembled.

The larger proportion of the whole population knows very little of these matters, and it is to be regretted that so few members of State legislatures and municipal governments realize the responsibility which devolves on them as officials in bringing about improvements in this respect. It is well, therefore, to consider here what methods can be employed in accomplishing results of such vast national importance.

The prevention of serious fires is conceded to be practicable. Looking to the future, the most effective remedy to lessen the fire waste is prevention, or the elimination of causes through the enactment and enforcement of a good building code in every city. Buildings erected under old laws have to stand as evidences of past mistakes. A building law applies to structures erected after its passage, as no law is retroactive. * * *

Broadly speaking, buildings make a city. People in a city protect their lives, health and property by ordinances and laws. A city charter is an act of the legislature as provided for by the constitution of the State, and confers a power on its inhabitants to govern themselves under officials of their own choosing. The common council elected thereunder is empowered to make, amend and repeal ordinances, rules and regulations, ordinarily including the power to enact ordinances relating to the construction, alteration and removal of buildings. When a building is to be erected, the height of which will exceed the limit of a fire department's ability to successfully cope with fire, the whole community has a direct interest in demanding that it shall be so built that it will neither burn, nor be blown over by a gale of wind. The humblest building, too, is rightfully a subject for public solicitation. In a frame shanty, the overturning of a lamp by the kick of a vicious cow started the Chicago conflagration. An ordinance relating to the construction of and official supervision over buildings is commonly called a building code, and, whether in crude or elaborate form, is in the interests of public safety, health and comfort. * * *

There is a comprehensive way of drafting a building code, and there is a superficial way. A building code must be elastic enough to provide for the largest as well as the smallest structure. Its requirements should be expressed clearly and concisely, using simple words and avoiding obtruse terms and phrases. With the exception of a few sections that have to do with complicated construction, as, for example, rules for determining the strength of metal

columns, there is no reason why language should not be used that is perfectly intelligible to the average builder, architect, fire engineer and owner. The code should contain no intricacies, and require only what is really necessary for public safety. Its provisions must, of course, be general in their application, and, fortunately, past experience has proven unerringly what may be accurately stated as safe and good in the essential features of such ordinary buildings as comprise nine-tenths of the whole number. A building code does not mean that a citizen shall not be left as free as is consistent with safety to select materials and appliances suitable to his purpose, but the interests, or supposed interests, of individuals should always yield to the public good. The wisdom of this cannot be questioned.

A man may well be told that he shall not erect a frame building within a certain territory; that the walls of his building must be at least of a certain thickness for a given height; that his smoke flues must be built in a stated manner, and woodwork kept a certain distance therefrom; that his floors must be capable of safely sustaining the load intended to be placed thereon; that if his building is to exceed a fixed height, it must be entirely fireproof; that he shall not exceed a given height with his building in any event, and a hundred other details which directly concern the public, and should, therefore, be controlled by ordinance. * * *

Recognizing the desirability of a uniform building code applicable to all cities, large and small, the committee on construction of buildings of the National Board of Fire Underwriters, with the aid of skillful and experienced persons, recently prepared a modern and complete building code. When tentatively drafted, it was printed and submitted to the highest authorities in the art of building construction and others interested in the subject for their criticisms and suggestions. When these were received they were tabulated and carefully considered. The code was subsequently issued, and has been widely distributed. Throughout the code the underwriters have declared their views, hoping to encourage such improvements in building construction as will naturally lessen fire hazards and proportionately reduce the cost of insurance. It is as good citizens, rather than as insurance representatives having direct interest in the subject, that the members of the National Board of Fire Underwriters have supplied this code. * * *

A code, to be complete, must necessarily be lengthy, and should be clear, direct and comprehensible. The fire underwriters' code is divided into several parts, each of which is subdivided into sections. It has a full index for ready reference, making it easy to select such sections as may be desired to fit local requirements where it cannot well be adopted in its entirety. Most of the sections are short, only two being of length, one of which relates to the construction and equipment of theaters, a section that will be found of deepest interest to firemen. The entire code is by no means dry reading, and a perusal of it by members of the force and the discussions which will naturally follow will tend to enlarge the scope of thought in every reader and bring a better understanding of what is good and bad in a building from a fire standpoint. Every line points toward the greater security of life and property. Certainly, buildings erected in accordance with that code, class for class, will be safer than buildings otherwise constructed for firemen to enter in case of fire, and if called within a reasonable time, they will find themselves masters of the situation, instead of being placed on the defensive, as now so often happens. The risk of life to firemen in buildings of the future will be greatly lessened and their work in such buildings more effectual, if adequate building laws are enacted.

The adoption of a building code in a city where practically no building regulations exist, or the substitution of a modern and complete building code for an old and inadequate one, is not a radical measure in the sense that it proposes a doctrine or principle of making radical reform in local government by overturning and changing recognized and accepted policies and methods. It does not demand the services of a reformer in politics who advocates extreme measures; indeed, such a person would do more harm than good. No politics should ever be allowed to enter into the question of a building code. It is primarily in the direct interest of the people, and for the greatest good of the greatest number, and will be so recognized. The advocacy of any individual, or class of individuals, who may be thought to have even an indirect interest in the adoption of a building code would prove harmful. The advocates must be free from all suspicion of personal motives—must come, as lawyers say, into court with clean hands. Who, then, can most effectively take up this great public work? The fire engineers is the correct answer, and why? * * *

Gentlemen, an opportunity has arisen for the members of the International Association of Fire Engineers to do a great and lasting service for this country, and, if taken advantage of, history must credit the present generation of fire engineers with having accomplished more public good than has any preceding generation, and not unlikely, more than any following generation.

Mr. President and gentlemen, can there be any doubt that a patriotic duty lies before your association in the direction of taking radical steps for better building laws? Will you do it?

Grinnell's Estimator and Builders Pocket Companion.

This little book, while primarily designed for the use of contractors, masons, bricklayers, cement workers, carpenters, painters, lumber dealers and prospective builders, will be found of especial value by fire insurance adjusters. It treats of all branches of building, from excavating to finishing, and is so compactly arranged and the data are so clearly presented that it is claimed that, with the aid of this book, the cost of an ordinary building can be calculated in fifteen minutes. With the supplement, it contains eighty pages of tabular and other information of the most practical nature, and will undoubtedly prove of great value to fire insurance adjusters in their daily work. It is substantially bound, and can readily be carried in the pocket. Copies may be procured from The Spectator Company, 135 William street, New York, at \$1 each.

The Insurants' Protective Association.

The Insurants' Protective Association, located at 56 Pine Street, New York, is a company formed for the purpose of adjusting insurance losses for its subscribers and securing for them all that is justly due them. Instead of charging those having losses a high commission for their adjustment, this association offers its services, to be given when required, for a stipulated sum based upon the amount and character of insurance carried. Mercantile houses are also furnished with monthly information as to the standing and reliability of companies carrying their risks. The association accepts subscribers located in any part of the United States. Its advisory board consists of Alexander S. Bacon, attorney; A. Morgan Poindexter and Arthur H. Walton.

VARIOUS ITEMS.

—The Scottish Union and National of Edinburgh has taken over the Lancashire and Yorkshire Accident Insurance Company, Ltd.

—The German of Freeport, which was being examined by the Kentucky Insurance Department, has notified the latter of its cessation of business in the State.

—"Fire Tests with Glass" is the title of Red Book No. 116, issued by the British Fire Prevention Committee. It covers two tests, each with three window openings filled in with wired glass by the Mississippi Wire Glass Company of New York, and comprises the committee's report, with diagrams and illustrations of the windows before, during and after the tests. Red Book No. 113 is entitled "Fire Test as to the Protection of Window Openings," and shows the comparative results of tests to ascertain the relative fire resistance of deal sash glazed with sheet glass, protected by a "Kinnear" steel rolling shutter, and teak sash glazed with wired glass. Copies of No. 116 may be procured through The Spectator Company, 135 William street, New York, at \$1.75 each, and copies of No. 113 may be obtained at \$1.25 each.

Casualty, Surety and Miscellaneous

Board of Casualty and Surety Underwriters.

There was a good representation on hand when John T. Stone, as president, called to order the third annual convention of the Board of Casualty and Surety Underwriters at the Hotel Manhattan, New York, on Tuesday afternoon. Prayer was offered by the president, following which the roll call disclosed the representation of members as follows: John T. Stone, president, Maryland Casualty; Francis B. Allen, vice-president, Hartford Steam Boiler and Inspection; Wm. T. Woods, treasurer, Lloyds Plate Glass; Geo. F. Seward, chairman executive committee, Fidelity and Casualty; William F. Moore, New Amsterdam Casualty; H. G. B. Alexander, Continental Casualty; William Bro Smith, Travelers; Edson S. Lott, United States Casualty; Ralph Butler, Central Accident; Louis A. Fibel, Great Eastern Casualty; D. W. Armstrong, Jr., National Surety; John T. Whelan, Fidelity and Deposit; Franklin J. Moore, General Accident; R. S. Keelor, Philadelphia Casualty; Wm. A. Scheide, Prussian Life; C. H. Franklin, Frankfort Marine, Accident and Plate Glass; W. H. Kingsbury, Pennsylvania Casualty; Chas. Howard, United States Fidelity and Guaranty; E. F. Green, Pacific Coast Casualty; Geo. Cator, American Bonding, and Carl Schreiner, Munich Reinsurance. In the absence of Secretary Walter C. Faxon, the chair appointed D. W. Armstrong, Jr., of the National Surety to the secretaryship for the sessions.

The address of President Stone was next in order, a part of which is as follows:

During the two years that measure the history of this board the work done by it has abundantly justified its existence by the standard of results. By the standard of need for such an association, the very large aggregate of business transacted and its constant increase furnishes unquestionable reason for its support by all companies engaged in any of the branches of casualty or surety business.

The volume of the casualty and surety business of the United States increases steadily. In the year 1905 the total premiums were \$50,249,523, an increase of nearly three million dollars over 1904. Of the fifty millions of premiums in 1905, about four-fifths were written by the thirty-seven companies comprising this board—the remaining one-fifth having been divided among the seventeen companies not members. But, while it is gratifying to know that so large a preponderance not only of the business, but of the leading companies, is represented here, it is highly desirable that every company that transacts any of the classes of business we stand for should share in the advantages of membership in this body and in the labor and expense involved in accomplishing its mission. To that end an invitation has been given to each such company to be with us at this annual meeting, and it may be well to appoint a special or standing committee on membership, whose business it will be to secure the accession of all companies not now on our roll.

As to the future, there will be ample occasion for our activities during the year just ahead of us. The legislatures of nearly all the States—about forty-one, I believe—will be in session at some time within those twelve months; nearly all of them during the winter and spring of 1907. It is a reasonable expectation that a great many bills will be introduced which will affect our interests one way or another. The excellent work of our executive committee in this connection during the legislative sessions of 1904-05 and 1905-06 marks the channel by which we can reach results. That work was accomplished by enlisting the active co-operation of the general membership and the same co-operation must be given during the coming year at the various State capitals and at Washington. We should put behind the executive committee, in its effort to secure the enactment by Congress of the model law for the District of Columbia (which it has prepared with the most painstaking care); the united influence of the entire organization of every company belonging to this board. Throughout our agency corps, and our staffs of medical and legal advisers and representatives, as well as at our home offices, there should be a long, strong pull all together to obtain on the part of our Congressional representatives prompt and favorable action on this measure.

The preparation of this law is in some sense a departure from the established attitude of insurance companies with regard to legislation. That attitude has been almost always defensive. Rarely has it occurred that insurance companies have taken the initiative in the enactment of insurance laws. They have been content, or possibly it would be nearer the truth to say they have been kept busy, to oppose attempts to place on the statute books laws inimical to the interests they represent. It is, so far as my knowledge extends, a pioneer proceeding for such a body as this to undertake, upon its own motion, as it has done, the entire recodification of the laws pertaining to the branch of business with which it is identified.

The report of the executive committee rehearsed the work performed by that body during the year, the most important being the preparation of the model law for the District of Columbia. The committee had little trouble over legislation and reported that no bill inimical to casualty or surety interests became a law last winter. Reports of the secretary and treasurer were submitted and approved, the former showing that the membership was thirty-seven, no increase having been made during the year, nor were any applications pending at this meeting. A committee of three is to be appointed to stimulate interest among non-board members with a view to bringing them in.

Great interest was displayed in the reports presented by committees on "compulsory advertising," and on "State, county and municipal privilege taxes and license fees." W. F. Moore read the former and also presented a chart showing the requirements of the several States. The report was approved and the committee was continued in order that it might take up the matter of the repeal of such laws with the several Insurance Commissioners and legislatures. Dr. Keelor's report on taxes and license fees was very exhaustive, and was approved of. Some of its recommendations being in line with the previous report were stricken out and the committee was continued in order that it might attempt some remedial measures.

The board held a second session on Wednesday afternoon and the proceedings closed with a banquet in the evening.

New Plate Glass Rates.

The Plate Glass Underwriters Association met last week to approve the new rate manual revised by the rating committee. Rates are reduced in several sections of this city, and after November 1 rates will be reduced on all new buildings where the cost according to the new manual is over \$150.

The rating committee submitted its report, which, with some slight changes, was adopted in full to take effect as to new buildings (never insured) on October 15, and as to all business on December 1.

It was resolved that the extra charge for glass with painted or paper band or background provided for in the minutes of July 23, section No. 20, be abrogated, to take effect at once. That the rate on all exterior grade floor glass in the following sections and streets, including corner buildings, be a discount of 20 per cent from the present rate: Broadway from Battery to Fifty-ninth street inclusive, Fifth avenue from Seventh street (Washington Square) to 110th street inclusive, Central Park West from Fifty-ninth street (Columbus Circle) to 110th street inclusive, Fourth avenue to Park avenue from Fourteenth street to Forty-second street inclusive, Madison avenue from Twenty-third street to Seventy-second street inclusive, cross streets from Eighth street to Sixty-ninth street between Fifth avenue below Twenty-third street, or Broadway above Twenty-third street on the west to Fourth or Park avenue on the east; Wall street, Broad street, New street, Beaver street, Exchange place, Pine street, John street, Maiden Lane, Nassau street, William street south of Fulton street, Cedar street east of Church street, Liberty street east of Church street. These rates to take effect the same time as the new manual rates, viz.; on new buildings October 15, and on all business December 1.

It was also decided that on any risk on which the tariff premium on exterior and interior glass, excluding show cases, exceeds \$150, the minimum rate be fixed at three-fifths of the tariff, provided that such reduction shall not apply to show cases but include all interior glass, and that the premium shall not in any event be less than \$150, this rule to take effect December 1, at which time the question of rescinding the special rate rule now in force shall be considered. That the trustees be authorized to pay a suitable amount for the labor of computing the rates for additional sizes in the manual. That a committee of five be appointed to consider the question of surveys in its broadest sense and report at the next meeting of the association.

On this committee were appointed, R. S. Kellor, chairman; Mr. White, Mr. Brewster, Mr. Ferres and Mr. Carr. Mr. Brewster offered the following resolution, which on motion was laid over until the next meeting:

Whereas, It is desirable that any company member of this association, may be on equal footing with any other member of this association in so far as relates to making rates on plate glass insurance, therefore be it

Resolved, That each company, member of this association, be required to compile and have on file in its office, not later than the first day of the month prior to that in which a risk expires, a list of all risks on which such company has heretofore allowed a rebate direct to the assured, and be it further

Resolved, That any company, desiring to allow a rebate direct to the assured in competition with the company on whose books such policy is expiring, shall first submit to the secretary, the location of such risk, the name of the assured, the date of expiration and the name of the

company, on whose books the risk is expiring, and it shall be the duty of the secretary to consult the list on file in the office of the company, on whose books the risk is said to be expiring, and if the risk in question is found on such list the secretary shall so advise the company desiring to compete for the risk, and upon receipt of such information from the secretary, the company so competing shall be privileged to allow a rebate direct to the assured, but in no event shall the rebate be greater than twenty-five per cent.

The report concludes by charging that the secretary, in referring to the files above mentioned, is instructed in no event to divulge to the company, whose list he is examining, any information which would be helpful to such company to identify the risk on which he is seeking information.

Proper Reserves for Fidelity and Surety Claims.

It is fortunate that this subject was laid before the Insurance Commissioners by President W. B. Joyce of the National Surety along lines which the Commissioners may follow and eventually adopt some acceptable scheme of adequate reserves. Had the opportunity been lost, it is probable that the Commissioners would have been disposed to frame a very stringent law.

The subject is one filled with many difficulties as pointed out by Mr. Joyce, namely: (1) "Each claim is without precedent." (2) It is impossible for any table of loss reserves to be fair and equitable to all companies. (3) The variation in the amount of salvage, but the fact of the obstacles existing cannot be admitted in excuse for neglecting an obvious duty. It took twenty years to secure some definite scheme of reserves for the liability companies, and, after the first abortive attempt, an acceptable and effective law is in force in four or five States. The difficulties of framing an equitable law seemed as great probably as those outlined by Mr. Joyce.

It is puerile to expect any method to be satisfactory which contemplates a reference to the Insurance Department for adjudication at frequent intervals. The law must be general and automatic. Mr. Joyce's suggestions might be accepted as a foundation, with the recommendation that the average per cent of loss on the gross amount of risk, based upon the experience of those companies who have been five years in business shall be applied to all companies. The figure selected as five per cent may be adequate, but appears to be arbitrary, and not supported by any data.

Regarding the legal premium reserve, generally known as the reinsurance reserve, the same anomaly arises in surety business in charging a proportion of the premium as in other lines of insurance, but doubtless the evil is greater.

Take, for example, the fidelity bond in the case of bank clerks. Twenty years ago the rate for such bonds for one year was one-half on one per cent. To-day, some companies are willing to write for three years at the same rate as formerly obtained for one year. If twenty-five cents per hundred was needed for reinsurance twenty years ago and the losses are not improved, why should ten cents be accepted to-day. Such a method is a protection to the rate-cutting company, and fails utterly of its purpose. It therefore seems proper to insist upon a reinsurance reserve based upon the rate found, on the average, to be necessary. This system would be a protection to the conservative underwriter and compel the rate-cutter to come to terms.

Finally, no company should be allowed to derive any benefit from premiums anticipated at the end of the year. The Massachusetts Department has ruled, and rightly so, that policies issued prior to December 31, beginning in the following year shall be reported, but the premium shall be charged not only as an asset, but as a liability.

So long as the public are taxed for Insurance Departments, it is natural to expect some measure of protection at their hands, and in these strenuous days, under stress of competition by which all classes of business interests are propelled, it is not unusual to find dubious methods adopted to deceive the directors, the stockholders and the public. The surety companies carry such tremendous financial responsibilities that they should be put under the best possible safeguards, even if, in so doing, weaker ones are forced into liquidation. The fact of so many surety companies adopting other lines of insurance seems clearly to indicate that the amount of capital invested in the legitimate needs of surety business is in excess of the requirements and it would not be a source of regret if the enactment of effective laws of loss and reinsurance reserves resulted in a general improvement in the methods generally of doing business. A failure of one reflects, however unjustly, upon all in the same line, and it is a general desire among business men to "live and let live."

Casualty Notes.

—The New Amsterdam Casualty is regretting the death, on Friday last, of Frank V. Beaudry, who has been with them some years as special

agent at the head office and who had worked up a very satisfactory business among the New York brokers.

—The National Surety, aided by the police of Newark, N. J., has recovered \$3500 worth of property stolen from the home of David Taylor of Madison, N. J.

—The well-known agency of F. W. Offenhauser & Co. of Texarkana, Tex., has been appointed general agent for the Ocean Accident in several counties in Texas.

—The Paul M. Nippert Company of San Francisco has been appointed by the Casualty Company of America as California general agents for all lines except accident, succeeding W. V. Wayman & Co.

—The American Fidelity has transferred its Buffalo agency from James Ryan & Son to the Buffalo Fire Office, of which C. F. Churchill is manager. This office embraces eight Western counties of New York.

—The United States Casualty has appointed Frank W. Rood of Knoxville special agent for the general field, and Henry P. Van Cleef, formerly with the Casualty Company of America, special agent for its Eastern territory.

—Ernst J. Miller, formerly manager of the plate glass department of the Aetna indemnity in this city, has succeeded A. C. Johnson as manager of the burglary department, and Thomas W. Stevens now has entire charge of the plate glass department.

—Fifteen companies were represented at a meeting held in Chicago recently, and The Life and Accident Managers Protective Association was organized. The companies represented at the meeting have suffered considerably from various agency frauds and a salaried secretary will be employed who will keep a record of all agents. It is expected that many more companies will join the organization and a meeting is called for to-day to elect officers.

—Vreeland & McConnell is the style of a new firm recently organized in New Orleans to represent the Ocean Accident in Louisiana and Mississippi. Mr. Vreeland was for many years with the Fidelity and Casualty in its New Orleans department, and Mr. McConnell was formerly manager of the casualty department of the Fred Marks Insurance Agency. Both gentlemen have had a wide experience in casualty insurance and are known to be both capable and energetic workers who will undoubtedly obtain a handsome line of business for the Ocean.

Surety Notes.

—The Empire State Surety has closed its offices in the Drexel building, Philadelphia.

—The Bankers Surety Company has renewed the bond of the Degnon Construction Company for \$300,000.

—Alexander Coulter is now at the head of the public official department of the American Bonding Company.

—S. P. West, formerly manager of the bonding department in the office of Neely & Lewis of Minneapolis, general agents of the Illinois Surety, has resigned to engage in other business.

—Considerable stock of the National Surety has been sold at 175 to parties identified with the present management so that little National stock now remains in the hands of outsiders.

—George Washington Dugan, who has been solicitor of the Metropolitan Surety since its organization, has severed his connection with that company to become manager of the contract department of the Keystone Bonding Company of Philadelphia.

—Justice Truax, of the Supreme Court of New York, has approved of the report of James H. Hickey, referee, on the Federal Union Surety of Indianapolis. The referee finds this company wholly solvent and conservatively and efficiently managed.

—The National Surety, which withdrew from Louisiana and South Dakota on account of depository requirements, is now about to re-enter these States, and will deposit \$50,000 in Louisiana and \$20,000 in South Dakota. The National will also deposit \$25,000 in Georgia, enabling it to go on bonds of city and State officials there. These deposits, which will aggregate \$95,000, are being made in Panama two per cents.

—Suit has been brought in Philadelphia to recover \$50,000 from the United States Fidelity and Guaranty by J. H. Rathbon, receiver of the City Savings Fund and Trust Company of Lancaster, on a bond of David R. Locher, president of the trust company. It is claimed that Locher was bonded by the defendant company and that he caused a loss to the trust company of \$72,000, through acts of dishonesty and bad faith. The greater part of this sum was taken as loans to himself, it is averred, the collateral security being stock of the Philadelphia Flour Milling Company, of which Locher was president.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Acme Fire Insurance Company, Lisbon, Iowa.

This company began business in April, 1906, writing fire and tornado insurance in Iowa only. Its officers are: President, A. C. Doubenmier; vice-president, W. A. Hubbard; secretary and manager, W. S. Furnas. The latter was, for about ten years, secretary of the Lisbon Mutual Fire Insurance Company, which has transferred its business to the Acme Fire. The latter reports a capital stock of \$100,000, of which \$50,000 are represented by "certified stock notes," which latter are included among the company's assets. Its financial statement October 1, 1906, shows \$111,963 of assets, made up of cash on hand and in banks, \$10,375; loans, \$32,003; real estate, \$3615; interest, \$300; "cash and coll.," \$500; notes and bills receivable, \$15,170; certified stock notes, \$50,000. No liabilities are mentioned, but the statement says: "Losses adjusted and unpaid," none.

Ben Franklin Insurance Company, Allegheny, Pa.

An examination of this company by the Pennsylvania Insurance Department shows that on June 30 last it had \$628,184 of admitted assets, consisting of mortgage loans, \$527,830; real estate, \$4000; cash, \$26,333; agents' balances, \$61,445; accrued interest, \$8475. Its liabilities, aside from capital, amounted to \$287,309 (including \$262,033 of unearned premiums); its capital was \$200,000, and its net surplus \$140,875.

Calumet Fire Insurance Company, Chicago.

The Calumet Fire has arranged for the settlement of its San Francisco losses, and has begun the payment to claimants from the \$500,000 fund contributed by its stockholders. The payments are being made through the Bank of California.

Commercial Fire Insurance Company, Little Rock, Ark.

This company began business June 2, 1906, and, under date of September 15, reported assets as follows: Bonds on deposit with the Insurance Department to guarantee payment of losses as per law, \$25,000; cash in bank, including demand premium notes, \$3423; agents' balance, not three months old, \$4122; premiums in course of collection not due, \$5957; office furniture and supplies, \$560; total, \$39,069. Liabilities, none. "No losses reported to date." Risks written, \$517,000; gross premiums thereon, \$14,435. The bonds referred to are presumably surety bonds, and in consideration of the deposit of same the company is privileged to write non-assessable policies.

Commonwealth Fire Insurance Company, Dallas, Texas.

An examination of this company made by the Texas Insurance Department as of August 24, 1906, shows that since January 1, 1906, the stockholders have paid in \$69,879, of which \$58,232 were added to capital account and the remainder to surplus. The company's paid-up capital on December 31, 1905, was \$113,521.

Connecticut Fire Insurance Company, Hartford, Conn.

This company has sold for cash \$500,000 of new stock at 200 per cent, thus adding \$500,000 to capital and \$500,000 to surplus.

Eastern Fire Insurance Company, Atlantic City.

John M. Whiton & Co., managers of this company, have announced that the adjustment of its San Francisco losses has been nearly completed, and that the company will pay out approximately \$60,000. By January 1, 1907, the Eastern Fire expects to show a net surplus of between \$75,000 and \$90,000.

Illinois Bankers Insurance Company, Mt. Vernon, Ill.

The assets of this company as of September 10, 1906, amounted to \$126,153; total liabilities, except capital, \$3550; reinsurance reserve (estimated), \$3000; net cash surplus, \$22,603. Its paid-up capital is \$100,000.

Iowa Manufacturers Insurance Company, Waterloo, Iowa.

This company commenced business January 17, 1906, with \$100,000 of capital stock, all of which is understood to have been subscribed. It was reported that \$25,000 capital and \$2500 surplus has been paid in. The company writes fire, lightning and tornado insurance, and its officers are: President, W. W. Marsh; first vice-president, R. O. Green; second vice-president, Thomas B. Carson; third vice-president, F. H. Keys; treasurer, S. W. Mercer; assistant treasurer, A. H. Holt; secretary and manager, Hermann Miller. The latter has had a long experience with stock fire insurance companies. In reply to our request for particulars as to securities owned, etc., the secretary says: "We are hardly in shape to make such a statement as you desire," but promises to send us its December 31 statement promptly. A considerable number of Iowa business men are interested in this company.

Mercantile Fire and Marine Insurance Company, Boston.

This company, which reinsured its outstanding risks in the American Central of St. Louis on April 26, 1906, continued writing business, and there has been no interruption in the issuance of policies. Plans are now under way for rehabilitating the company. Its losses in the San Francisco catastrophe were about \$385,000, nearly all of which have been settled. It has been voted to reduce the capital from \$400,000 to \$200,000.

Minnesota Mutual Fire Insurance Company, St. Paul, Minn.

This company was recently examined by the Minnesota Insurance Department as of July 31, 1906. Its net premiums from January 1 to July 31 amounted to \$8144, and its total income was \$10,142, including \$1411 of subscriptions to guaranty fund, and \$360 of commissions. The disbursements amounted to \$13,068, and included \$3240 for losses, \$522 for profits or surplus on terminated policies, \$1954 for notes ("apparently not a liability of the company"), and the balance for commissions, salaries and other expenses. Its admitted assets July 31 aggregated \$10,737, including cash, \$110; premiums in course of collection,

\$2249; contingent liability of policyholders, \$8125, etc. Its liabilities embraced \$2210 for unpaid losses (including \$1600 resisted), \$8125 for unearned premiums (offsetting contingent assets), \$1004 for reinsurance premiums, and other items, bringing the total up to \$12,567, leaving an excess of liabilities of \$1830. The net amount of insurance in force was \$795,617. The company's statement as of December 31, 1905, showed no liability on account of the notes paid in 1906 (which were given in 1904), and there was nothing in the notes to show that they were in any way a liability of the company. At the company's annual meeting in January, 1906, with ten members present, "it was moved by Mr. Somsen, and seconded by Mr. Koch, that the secretary be ordered to draw a check of \$1,953.92 to pay the Citizens Bank for notes held by it for moneys used in the organization of the company and the securing of a necessary number of applications to secure the company's charter in 1904. The motion was carried."

The present officers of this company are: President, M. Mullen; vice-president, A. W. Thompson; treasurer, W. W. Boyer; secretary, F. J. Errett. The officers' yearly salaries are: President, \$250; treasurer, \$250; secretary, \$1800 and expenses, and the secretary to be the judge as to what he should charge up as expense.

In January, 1906, the by-laws were amended to permit the accumulation of a guaranty fund, and \$1441 have been paid into this fund. Guaranty fund certificates bear 10 per cent interest. The company has a small amount of non-assessable insurance outstanding, but has ceased writing such policies.

The report thus summarized was referred to the Attorney-General, and, while the matter was still in his hands, the Implement Dealers Association of Minnesota decided to take \$5000 worth of the guaranty capital of the company and assume control of it. This arrangement has been practically completed, and it is understood that the company will go on under new management, with sufficient funds to comply with the law.

New State Fire Insurance Company, Oklahoma, Okla.

F. C. French, president of this company (and also of the Western Fire and Marine Insurance Company and the German Mutual Insurance Company of Oklahoma), has forwarded us a list of the securities owned by the New State Fire as of October 1, 1906, but omitting to state the par values of the respective items. The stocks and bonds and their market values are reported as follows: Mexican government bonds, \$4035; Greene Consolidated Copper, \$1060; Cambria Steel, \$3750; Remington Martin Paper Company, \$13,125; St. Regis Paper Company, \$18,900; Consolidated Coal and Mineral Mining Company, \$15,225; Montana Consolidated Copper, \$20,000; Arizona Mining and Development Company, \$16,246; R. W. & O. Railway bonds, \$7275; total, \$99,616. The other assets are stated as cash in bank and office, \$16,773; gross premiums in course of collection under sixty days, \$17,047; bills receivable, \$10,928; furniture and fixtures, \$2492; total assets, \$146,856. The only liability stated, aside from "capital paid in, \$112,216," is for commissions and brokerage, \$2762, thus leaving a net surplus of \$31,878. As the company has risks in force and shows uncollected premiums among its assets, we suggested that it should provide for unearned premiums among its liabilities. In reply, the president says: "Inasmuch as we are a new company, we have not as yet put by a reserve fund against risks in force, but will do so later on." We have requested further details concerning the securities above named.

North German Fire Insurance Company, New York.

It is reported that the stockholders of this company have sent representatives to the Pacific Coast with the proposition to divide pro rata among its San Francisco claimants the entire assets of the company as they exist, and, further, should they be able to recover from their foreign reinsurers, to later pro rate the amount recovered from such reinsuring companies which have heretofore denied liability.

Queen City Fire Insurance Company, Sioux Falls, S. D.

The stockholders of this company have voted to increase the capital stock to \$500,000 and the surplus to \$250,000. On January 1, 1906, the Queen City possessed a paid-up capital of \$300,000 and a net cash surplus of \$10,441.

Seattle Fire and Marine Insurance Company, Seattle, Wash.

In September, 1906, this company prepared a financial statement, following the liquidation of all claims against it on account of the San Francisco conflagration (which were paid in full, without discount), which shows assets amounting to \$240,910. Its capital is \$200,000; losses in process of adjustment, \$1000; reinsurance reserve, \$5430, and net surplus \$34,480.

Southern States Fire Insurance Company, Greensboro, N. C.

The new Southern States Fire has been formally organized, with an authorized capital of \$750,000. The company is largely backed by interests connected with the Southern Loan and Trust Company. J. W. Fry has been elected president; J. A. Odell, vice-president, and W. E. Allen, treasurer. The name of the secretary has not yet been announced.

Spring Garden Fire Insurance Company, Philadelphia.

Semi-annual statement as of June 30, 1906: Assets, \$2,680,132; total liabilities, except capital, \$1,577,809; net surplus, \$102,323; surplus to policyholders, \$502,323.

Standard Mutual Fire Insurance Company, Houston, Texas.

This company, which was incorporated in November, 1902, is understood to be seeking business outside of its home State. As of December 31, 1905, its ledger assets were stated as amounting to \$3726, and its liabilities were given as follows: Losses and claims, \$2957; 60 per cent of premium set aside to pay losses, \$5500, less amount paid, \$4483, leaving net reserve \$1017; 5 per cent of premiums set aside as a reserve, \$458; total liabilities (after deducting loss payments as above), \$4432. The company has a permanent reserve of \$966 on deposit in the State Treasury. Its officers are: President, Edgar S. Putnam; vice-president, C. L. Bradley; secretary, A. A. Ochse; treasurer, J. O. Davis; general manager, Dr. J. D. Ward; general agent, J. W. Oman.

Star Fire Insurance Company, Louisville.

An examination of this company, made by the Kentucky Department, as of June 30, 1906, shows that on that date the company possessed assets amounting to \$345,017. Its total liabilities, except capital, were \$99,999; its net losses unpaid, \$27,871; its reinsurance reserve, \$69,786, and its surplus to policyholders, \$245,018. As its paid-up capital as of June 30, 1906, was \$274,900, an impairment of \$29,882 was shown. On March 23, 1906, the stockholders voted to increase the capital stock from \$200,000 to \$300,000. It was the intention to later reduce the capital to \$200,000, thus adding \$100,000 to surplus. Up to March 26 \$75,400 was subscribed for and \$41,300 paid in, and by June 30 \$74,900 had been paid in. On July 7 a meeting of the board of directors was held and a resolution passed reducing the capital stock to \$200,000, so that if the capital had been reduced before this statement was made the company would have shown a net surplus of \$54,018, instead of an impairment.

THE SPECTATOR:

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No. 17.

INSURANCE LEGISLATION.

DURING the coming winter there will be forty-two State legislatures in session, and it is a foregone conclusion that a majority of these bodies will devote much attention to the subject of insurance. Many bills will be introduced by members prejudiced against insurance companies of whatever kind, and it will require unusual vigilance on the part of insurance men to prevent some vicious measures from becoming laws. The life insurance investigations attracted such widespread attention that legislative efforts will probably be mainly directed toward this branch of the subject in an attempt to "reform" by law existing methods and practices. The San Francisco conflagration, however, with its unequalled insurance losses, has also caused fire insurance to receive a goodly share of publicity, embracing some criticisms as to the methods pursued in the settlement of claims, so that it is not improbable that fire insurance will receive a share of legislative consideration.

Efforts have been put forth to prepare model uniform laws to be presented to the various legislatures for enactment, and the "committee of fifteen," appointed at a conference of Governors, Insurance Commissioners and others in February last, drafted a number of bills with this end in view. The report of the committee was presented at a second conference prior to the recent meeting of Insurance Commissioners, and after some discussion, was referred back to the committee for amendment and final report on or before December 1. The committee had under consideration the bills formulated by the Armstrong committee and passed by the New York Legislature last winter, and while some of them were approved by the committee, others were regarded as too drastic and not in the interests of policyholders. The several State legislatures will have before them the various bills, as amended by the committee of fifteen, and having the approval of the Insurance Commissioners. To what extent they will be incorporated in the statutes of the States remains to be seen.

* * * * *

It is expected that various amendments to the Armstrong laws will be presented to the New York Legislature, as it is found that, when applied to actual practice, some of them are

embarrassing to the companies to a serious extent, are inconsistent and discriminating. The Armstrong committee realized that there were defects in the bills they presented, and anticipated further legislation to remedy them. The Armstrong investigation revealed instances of mismanagement that demanded correction and measures of prevention, and had its recommendations been confined to the elimination of abuses as disclosed and measures calculated to render them impossible of repetition, there would have been little criticism of its work. But not content with such limitation of its labors, the committee drafted and secured the passage of laws which strike at fundamental principles of the business, and interfere with the rights of contract as between the companies and their patrons. As an illustration: the issuing of deferred dividend policies is prohibited, when experience shows that many persons prefer this form of insurance. The objection to it is that it has permitted companies to pile up immense volumes of assets, which have been called surplus when in fact they were liabilities. This accumulation of so-called surplus, it is contended, was the temptation to speculation that some managers yielded to, thereby precipitating their downfall. As a remedy for this, a law requiring an annual accounting by companies to every one of their policyholders regarding their dividends, and the actual value of their policies, would render it immaterial whether the dividends were actually paid annually or left to accumulate at the option of the policyholder. The so-called surplus would be publicly known as a liability, and the company managers would be held accountable for it. Another law, which prohibits companies from writing both participating and non-participating policies, is a further instance of interference with the rights of contract, and a hardship for some companies. Other instances might be cited where the Armstrong laws work injustice to the companies, overturning forms and practices that have been long in use and approved by patrons of life insurance. That efforts will be made this winter to have the legislature amend the laws in various particulars is conceded, and it is important that the changes desired should have the unanimous approval of the companies interested. Unless there is unanimity among those desiring changes, legislators will become confused and liable to make bad matters worse.

THE annual meeting of the National Association of Local Fire Insurance Agents, held last week at Indianapolis, was temperate in its tone, though firm in its advocacy of the good practices for which it has stood during the past decade. For instance, while considering the rating question to be of equal concern to companies, agents and the insured, the association recognizes the right of the companies to determine the rates which shall be charged for the policies, only urging and recommending that the rates shall be prepared by schedule and based upon classified experience. The meeting extended its congratulations and support to the companies which have manfully paid their San Francisco losses, and called upon all agents to assist in the re-establishment of the surplus funds of the companies "on a basis which will enable them to carry the ever-present conflagration hazard, and thus render safe and secure the commercial credit upon which the business of the country is conducted."

It also recommended the consideration of a uniform flat and contingent commission on all classes of business throughout the country. Regarding the ownership of expirations, the meeting adopted the following resolution:

When a company retires from an agency from any cause, the expirations in the agency which it leaves should be left undisturbed. While the company remains in the agency, the agent is under obligations to keep the business on the books of the company so long as the agency relation shall continue.

This pronouncement is hardly likely to receive the unanimous approval of the companies, as yet. However, it constitutes a basis for future negotiation. Other topics were treated along moderate but progressive lines, and the association well maintained the reputation it has acquired of being a conservative, business-like body of earnest men, who are aiming to improve the conditions of the business in which they are engaged.

A REVIEW of the work accomplished at the annual meeting of the Board of Casualty and Surety Underwriters in New York last week will show that the need for the board's existence has been amply demonstrated. Those who promoted the organization and who have managed it during the past two years wisely proceeded on the assumption that there are numerous topics of general interest where concerted action is necessary, and nothing that they have undertaken has interfered in any way with individual effort, so far as the actual carrying out of business plans is concerned. All the companies are vitally interested in legislation, no matter what its character or where it originates, and their united action will be much more effective than individual effort. The topics presented for discussion last week were timely, and the committees charged with their preparation performed their work in a most thorough manner. It is somewhat to be regretted that there was not a larger attendance at the sessions, but it is to be hoped that the proceedings will be most carefully studied when issued in complete form. The crowning effort of the year was the preparation of the model law for the District of Columbia, which, it is hoped, will be adopted throughout the several States in the course of time. The executive committee devoted much time to this work, and the result of their labors is most satisfactory. Scarcely any criticism has been made of the draft of the law, and an example has been set which fire, life and other underwriting corporations may well follow. During the present year the executive committee will make a zealous effort to secure the co-operation of other bodies in presenting the law to the several legislatures so that order may come out of the present chaos. The board has accomplished much in its brief career under the presidency of John T. Stone, and the new president, S. C. Dunham, will not fail to maintain the high standard of achievement set by his predecessor.

several against persons well known by underwriters. The Equitable

Anybody who wishes to acquire a miscellaneous lot of judgments and uncollected claims against individuals and firms, held by the receiver of the defunct Equitable Mutual Fire Insurance Company, may have an opportunity at the sale announced for the 31st inst. The judgments are a sorry lot, but we are surprised to learn embrace several against persons well known by underwriters.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

It has leaked out that the joint committee on economies held a meeting a few days ago and agreed upon some of the points. Reduced expenses of the Exchange and the New York Board. They propose to retire Superintendent W. A. Anderson upon a pension equal to \$5000 per annum, with the approval of the finance committee. This is \$1500 less than he now receives. The duties are to be transferred to the manager of the Exchange, and his present salary of \$12,000 per annum is to be continued, to be divided between the Board and the Exchange. The chairman of one of the Board committees states that the joint committee claims that it has power from both bodies to carry into effect these changes in salaries, and other in contemplation, without any further action on the part of either organization, and also to make new subdivisions of the office space for all the departments.

Another consolidation of important department stores is said to be on the tapis, which will make a difference in brokerage accounts of some magnitude. There appears to be no law to prevent all the department stores in New York from forming one company, to acquire and manage them under one head, but that would be much more of a trust than the association of fire underwriters to fix rates—but then, that's another question, you know!

The fire patrol committee has voted to petition the aldermen of this city to require the Metropolitan Railway to stop their cars before crossing the intersection of streets where the fire patrol wagons are housed, with a view to prevent collisions. The latest accident was undoubtedly the fault of the motorman, and it cost one life, with another hanging by a thread, and damage to property. The life was insured and the railway is responsible for the property, but future accidents can be avoided by an ordinance to regulate the crossing of the few streets where the patrol wagons are likely to be met.

In the latest annual report of the Erie Railway, we learn that the company in the twelve months prior to September 30 paid the sum of \$82,767 for insurance and maintains an insurance fund of its own of \$500,000 to provide for contingencies. We do not find any reference to amounts collected for losses, but presume they are stowed away somewhere under the miscellaneous items. This business has undergone more changes in the last ten years, as to forms and companies, than almost any large account handled by brokers in this city.

Offerings of San Francisco risks continue to arrive by telegraph and mail. The localities are somewhat congested and the companies are without corrected maps; consequently they are obliged to trust in the representations of interested brokers. The rates range from five to ten per cent for the rudest wooden shacks, and in some cases the value for such conditions is enormous. The moral hazard is unquestioned, and the companies here are gambling on the risks in a small way. The lines quoted from San Francisco agents and companies are about one-fifth the former size, and indicate double discounts for conservatism.

We are informed that many offices are refusing the thirty-nine-cent rates on cotton in the Independent stores, notwithstanding the presence of sprinklers. This refusal extends so far that when an offer by the Home to take a line at one per cent was made to a cotton broker, he accepted it. There has been some gossip about the Independent stores taking in tobacco alongside of jute and cotton, and giving customers the benefit of the cheap rate on "contents," without designating tobacco at all. Just now the companies have a horror of fancy tobacco on any terms; they have not forgotten last winter's experience in the South street fire on tobacco—upon a loss which appeared to be less than \$5000. They paid \$100,000, and are pretty well satisfied now they were bamboozled by trade conditions and trade experts, entirely apart from the fire loss.

The New York Board of Fire Underwriters was granted judgment this week for \$146 and \$148 against B. A. Boughan and David F.

as attorneys of the Allied Underwriters at New York and Chicago Lloyds.

W. Beals of 76 William street, New York, who was for several years with Weed & Kennedy, is now representing a dozen strong companies as agent for the suburban territory. Brokers are protected by full commissions allowed by Mr. Beals, who will be glad to respond with agents having business to place.

The first regular meeting of the Insurance Society of New York was held on Tuesday evening last, in the society's rooms at 73 Wilkes street. Charles T. Hill delivered an entertaining and instructive lecture on "Modern Methods of Fighting Fires," illustrated with a series of stereopticon slides and moving pictures.

President Henry Evans of the Continental, accompanied by Mrs. Evans, enjoyed a unique and delightful holiday during their recent European tour. The entire 3000-mile tour of north-central Europe and the Black Forest and the chateau country of France, was made in Mr. Evans' automobile without the slightest accident. Rail-trains were tabooed.

Henry C. Zaro has been appointed uptown branch manager of the Hampshire Fire and has secured the services of Edwin A. Koch as hunterman.

CHICAGO AND THE WEST

The Illinois Association of Local Fire Insurance Agents held its annual meeting last week. The following officers were elected: R. Hosmer, president; Lake W. Sanborn of Galesburg, H. H. Candee of Cairo, and A. Spitler of Mattoon, vice-presidents; H. H. Cleveland of Rock Island, secretary; J. J. Van Every of Chicago, treasurer.

The Anchor Fire of Des Moines, which heretofore has restricted its operations to Iowa, is following the tendency of the State companies to seek a wider area of operations, and has appointed Rollins Burdick agents for its surplus lines for Chicago, Illinois and the central West.

Following the present tendency of the companies to carry only their surplus lines—a tendency born of dissatisfaction with reinsurance contracts in the San Francisco conflagration—local agents are securing a better distribution of business. Before long, it is believed, the surplus line will be the usual thing instead of the exception.

BOSTON AND VICINITY.

A plan is under consideration in Boston for the better protection of the great property values of the Boston and Maine Railroad in the North End district. There is an adequate water main in Rutherford street, which bounds one side of the freight shed territory, but there are no branches leading into the yards. Although the roadways between the score or more sheds, hundreds of feet in length, are in public use for teaming, they are the property of the railroad corporation, and the city cannot well enter upon them without some agreement between the parties. It is now proposed to pipe the whole area, under a contract that the railroad corporation shall assume the cost at the time when the territory ceases to be open to its present public use. Local underwriters will be glad when this is accomplished, for there have been numerous and costly.

The Dixie Fire of Greensboro, N. C., is about to enter Massachusetts and the other New England States.

Henry R. Peirson has been elected president of the Berkshire Mutual Fire, to succeed the late Frank W. Hinsdale.

At the meeting of the Boston Insurance Library Association, Friday evening, the principal speakers were Osborne Howes, secretary of the Boston Board of Fire Underwriters; A. L. Berry, special agent of the New York Underwriters, and W. B. Medlicott, Boston.

The executive committee of the New England Insurance Exchange has submitted a new form of automobile permit and charges, which will come up for action on the 27th inst.

The Ben Franklin of Allegheny has applied for admission to Massachusetts. It will be in the office of Darling & Russell.

NOTES FROM PHILADELPHIA.

At the special meeting of the stockholders of the Girard Fire and Marine of Philadelphia, held last week, it was unanimously voted to increase the capital stock from \$300,000 to \$500,000 by issuing 2000 additional shares at \$100 par value. It is proposed to sell these shares at \$300 each, thus adding \$400,000 to the surplus account. It is said that the new issue has already been oversubscribed. The last sale of stock of the company was at \$326, just after the quarterly dividend of five per cent had been declared.

Three additional directors of the Franklin Fire have been elected as follows: Alfred F. Moore, Ezra T. Cresson and Joseph A. Steel.

To strengthen its resources and also provide for the serious loss it sustained at San Francisco, the Franklin is about to sell 6000 shares of new stock at \$200 the share. The time for the first payment on the new stock has been extended to November 1. Of the \$1,200,000 which will be realized, \$600,000 will be added to the surplus and \$600,000 to capital, and allowing for the extraordinary loss at San Francisco, the Franklin's assets will then be about \$3,000,000; capital, \$1,000,000; surplus, \$350,000. There is to be a change in the personnel of the management, and it is believed that, with its fine plant, the company will shortly be paying its regular dividends again with ease.

The committee on fire prevention of the National Board of Fire Underwriters, having completed its inquiry into the fire-fighting facilities of Wilkesbarre, Pa., made a report to the authorities which is a merciless attack on the city's water supply and fire department, and alleges that there is serious conflagration hazard existing because of poor building construction.

Charles F. Stadiger, a well-known insurance broker, died on Wednesday of last week.

J. Howard Brown & Co. have been appointed representatives of the Dixie Fire of Greensboro, N. C., for Philadelphia and vicinity.

What is considered as one of the "long-felt wants" in rules was promulgated by the Philadelphia Fire Underwriters Association last week. It says:

When merchandise in mercantile risks is stored in basement or sub-basement, a charge of two per cent on contents rate will be made, unless such merchandise in basement or sub-basement is placed on skids at least six inches above the floor; this charge to apply to contents rates of the entire building in the case of single tenant risks, and to apply to the rate of tenant occupying the basement in tenant risks.

THE MIDDLE STATES.

Philadelphia Fire Companies' Stocks.

The following table gives the prices quoted for certain Philadelphia companies stocks prior to the San Francisco disaster, the prices about May 1, lowest since then, and the figures at which last sales were made, as shown in The Journal of Commerce:

	Previous to Disaster.	About May 1.	Low Since.	Last Sale.
Alliance	19	10	5	5¼
Delaware	32	26	20	23
Fire Association of Philadelphia...	414	350	335	335
Franklin	372	...	200	200
Girard	400	336	325	325
Insurance Co. of North America...	28	44	20½	23
Pennsylvania Fire	751	500	300	400
Reliance	81	...	69	73

—A number of the larger manufacturing concerns at Wilmington, Del., are forming a mutual company.

—At a recent meeting of the Board of Fire Underwriters of Allegheny County the matter of increasing the rates of insurance in the county ten per cent was taken up. The proposal met with vigorous opposition, being defeated by a vote of 45 to 14.

—The committee on fire protection of the National Board of Fire Underwriters has completed its investigations into the fire protection facilities of Wilkesbarre, Pa. Speaking of the water supply, they report that the main arteries are of adequate size and well arranged. Distributing mains too small. The fire department is inadequately supported financially, the companies being insufficient in

number and weak in fully paid men. The engines are of a reliable type, but there are not enough of them. The conflagration hazard is characterized as severe throughout most of the congested value district.

—The Dixie Fire Insurance Company of Greensboro, N. C., is preparing to enter New York, New Jersey and the New England States. The company will be operated in conjunction with the Colonial Assurance Company of New York, E. E. Hall, secretary of the latter, being made general agent. W. S. Banta of New York city will be the Dixie's metropolitan district manager.

—At a recent meeting of the directors of the German-American Fire Insurance Company of Baltimore, Secretary H. Knollenberg resigned, in order to undertake the organization of another fire insurance company in Baltimore. Thos. H. Manson, for several years general agent of the company, was elected secretary to succeed Mr. Knollenberg, and Robert Macdonnell was chosen as assistant secretary. Mr. Manson is well fitted for his new office, and the company has prospered under his underwriting direction, having branched out somewhat in the agency field and profited thereby. He is popular among agents, and his underwriting ability has been demonstrated. Mr. Macdonnell has also been with the company for many years.

THE NEW ENGLAND FIELD.

—The Jefferson Fire of Philadelphia has entered Connecticut and appointed George Burgess Fisher, Jr., of Hartford its special agent for the State.

—Henry R. Peirson of the Peirson Hardware Company, Pittsfield, Mass., has been elected president of the Berkshire Mutual Fire, to succeed the late Frank W. Hinsdale.

THE WEST.

Commissioner Desires to Relinquish Power of "Absolute Monarch."

John C. Perkins, Commissioner of Insurance of South Dakota, in his letter of transmittal accompanying his 1906 annual report to the Governor of that State, has the following to say, regarding the anti-compact law:

Under chapter 158, laws of 1903, known as the anti-compact law, the Commissioner of Insurance is an absolute monarch, and in proceedings thereunder his findings are final. There is altogether too much power and authority placed in the hands of the Commissioner under said law, and I would recommend that it be so amended that the acts or findings of the Commissioner may be reviewed in a court of competent jurisdiction, for the reason that an unscrupulous officer could work irreparable injury and great graft under color of law.

Changes in State Insurance Company of Nebraska.

At a recent meeting of the directors of the State Insurance Company of Nebraska, E. A. Cudahy, vice-president of the Cudahy Packing Company, was elected president of the company, succeeding the late James E. Boyd, and C. F. McGrew, vice-president of the Omaha National Bank, was elected a director; the other officers remaining as heretofore. At the next annual meeting of the stockholders, a proposition to increase the paid-up capital from \$100,000 to \$200,000 will be considered, together with paying into the treasury a substantial surplus and extending the field of the company's operations.

—The Ben Franklin of Allegheny has entered Michigan.

—The Western Reserve of Cleveland is entering Indiana.

—William E. Gable of Peoria has been appointed Illinois special agent of the Michigan Commercial.

—The Dixie Fire has appointed the Insurance Agency Company of St. Louis its general agents for Missouri.

—The Sun of New Orleans and the Insurance Company of the State of Pennsylvania are entering Indiana.

—The Louisville Insurance Company has entered Michigan and appointed Whitbeck & Chapman its agents at Detroit.

—The Virginia State is preparing to enter Missouri. Edgar M. Davis, president of the St. Louis Fire, will be general agent for the State.

—It is announced that there will be no change in the management of the Indianapolis Insurance Company, due to the recent change in stock ownership.

—William H. Seiders, of the Brazil (Ind.) firm of Turner, Seiders & Kidd, has been appointed Indiana special agent of the Connecticut Fire.

—Stanley R. Brucc has been appointed special agent of the British America and the Western of Toronto, for Oklahoma and Indian Territory.

—McEnaney & Hengle of Chicago, general agents of the Dixie Fire for Illinois and Indiana, have appointed L. R. McKinney special agent.

—The Illinois State Board has voted that the German of Freeport shall no longer be regarded as an affiliating company, although it is a member of the

Illinois Field Club, with which the State Board has a co-operative agreement. The charge is cutting rates and delay in making corrections.

—The Green Bay and De Pere Mutual has been organized at Green Bay, Wis., with W. P. Brennan president and Henry C. Jung, secretary and manager.

—Montgomery Clark of Omaha, formerly special agent of the Calumet, has made a connection with D. S. Wagner, the independent adjuster of Chicago.

—The Western Millers Mutual Fire of Kansas City has decided to reorganize under the regular mutual laws, as the company is now operating outside of the State.

—Frank Harris, special agent of the Columbia of Omaha, has been promoted to State agent and adjuster of the company for North Dakota, with headquarters at Bismarck.

—J. L. Lucas of Chicago, who recently organized the Fire Association Underwriters, has changed the name of that Lloyds to the Mercantile Fire and Marine Underwriters.

—The Milwaukee Board of Underwriters has re-elected its last year's officers, with the exception of George H. Russell, vice-president, who has been succeeded by Frank J. Meyers.

—S. T. and J. D. Berry, of the Capital of Des Moines, have sold all their interests in the Farmers of Cedar Rapids. S. T. Berry was connected with the latter company for thirty-five years.

—Edward H. Butler, chairman of the finance committee of the Detroit Fire and Marine, has been elected president of that company to fill the vacancy caused by the death of William A. Moore.

—The Indiana Association of Local Fire Insurance Agents has elected the following officers: James E. McHenry, Wabash, president; R. E. Breed, Jr., G. A. Carr, John R. Welch, vice-presidents; J. Vene Dorland, La Porte, secretary and treasurer.

—C. F. Minnette, general inspector, and Walter M. Speyer, Pacific Coast assistant manager of the New Zealand Fire, were in Chicago recently. The New Zealand Fire may consider the advisability of entering the Eastern states in the near future.

—At a recent meeting of non-union special agents at Oklahoma City, Okla., the Oklahoma Fire Prevention Bureau was organized. The officers elected were: W. A. Wolverton, president; J. F. Donca, vice-president; H. Ludlow, secretary; Jas. W. Cady, treasurer.

—R. E. Hall of Chicago has been appointed general adjuster of the Continental, with headquarters at the Chicago office. Mr. Hall succeeds F. R. Milard, who became manager of the Continental's loss department at New York, succeeding the late Reuben J. Taylor.

—The Wisconsin Association of Local Fire Insurance Agents has elected the following officers: W. B. Buckingham, president; Charles Cleophus, O. S. Moore, John West, J. A. Smith, E. B. Ansorge, J. Dietrich, E. S. Baker, vice-presidents, and George Y. Wilkinson, Milwaukee, secretary and treasurer.

—The Indiana State Mutual Fire is being organized by business men of Indiana. The \$20,000 cash needed is reported to be in hand and the \$10,000 in premium notes rapidly accumulating. The incorporators are: Joseph L. Ebner, president of the Ebner Ice and Cold Storage Company, Vincennes; J. E. Fredrick of the Kokomo Steel and Wire Company, Kokomo; David L. Spraker, Kokomo Rubber Company; John H. Furnas, president of the L. C. Thompson Manufacturing Company, Indianapolis; O. M. Pruitt, president of the Indiana Veneer and Lumber Company, Indianapolis; Russell T. Byers, counsel for the American Life, Indianapolis; F. F. James and F. L. Braden, insurance adjusters, Indianapolis.

THE SOUTH.

An Extreme Decision in Mississippi.

An interesting decision by the Mississippi courts was recently unearthed which has a bearing on the present agitation regarding the effect of the new laws of that State on the ownership of subsidiary fire companies. It appears that a gravel company applied for a charter permitting it to purchase and operate gravel pits, own stock of other gravel companies, etc. The Attorney-General having ruled against the issuance of the charter, the promoters of the gravel company brought mandamus proceedings. When the case came up for hearing it was decided that the gravel concern could not own stock in any gravel company nor in any other corporation. This decision is so sweeping in character that, if maintained, an insurance company would be barred from holding even railroad or bank stock.

—The Firemans Fund has been licensed in Kentucky.

—The Indemnity of New York has ceased writing business in Mississippi.

—H. F. Hoffman of Mount Sterling has been appointed Kentucky State agent of the Dixie Fire.

—The National Mutual Fire of Omaha will place its Southern department headquarters at Baltimore, with a branch office at Atlanta, Ga.

—The National Lumber of Buffalo has just entered Georgia. The same company has also appointed Wagner & Taylor its Philadelphia agents.

—William M. King of the Providence Washington has been appointed South-eastern special agent of the London Assurance, with headquarters in Atlanta.

—Edwin G. Seibels, the well-known general agent of Columbia, S. C., has appointed Nathaniel H. Clarkson a special agent for South Carolina, with headquarters at Columbia.

—The Peoples Fire Insurance Corporation of Norfolk, Va., has deposited \$10,000 in Norfolk city bonds with the Virginia State Treasurer, and has issued its first call upon the subscribers for fifty per cent of the capital stock.

—The Tennessee Department recently sent blanks to fire companies operating in that State, requesting a statement of their financial condition as of October 15, and their San Francisco losses and settlements. This information to be filed by October 31. In reply most of the companies state that it is impossible for them to divide a month under their system of accounting, and suggest sending in statements as of September 30 or October 31, provided sufficient notice is given.

—R. N. Hughs and M. B. Yates (Hughs & Yates) will, on November 1, succeed J. T. Dargan as Southern general agents for the Jefferson Fire of Philadelphia, with headquarters at Atlanta. Their territory will embrace Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana and Texas. The company is now entered in all the States named except Alabama and Virginia, and will soon enter those States.

PACIFIC COAST.

The Situation at San Francisco.

Old Lessons Retought, but Still Unlearned—Disagreements of Companies—the United Policyholders' Opportunity—Companies Using Earthquake Clause Weaken—Indecision Expensive—Reinsurance Practices Continue—Differences Still Exist—Physical Effects of the Fire—Qualities of Redwood—Profitable Outlook for Companies—Reputations Earned by the Companies.

[FROM OUR OWN CORRESPONDENT.]

NO NEW LESSONS LEARNED.

Perhaps the most remarkable comment that can be made upon the San Francisco disaster is that it has taught no new lessons. A conflagration, far exceeding in magnitude any of its predecessors, and originating under circumstances without precedent in the insurance history of the United States, might be expected to revolutionize methods and readjust theories upon altogether new lines. But instead of this it has merely served to confirm the knowledge already gained by previous experience and endorse the value of many practices, the virtue of which was not in doubt, though they may seem as little likely to be upheld as they were before. In fact one might epitomize the whole situation in a few words—old lessons retaught, but still unlearned.

COMPANIES FAILED TO STAND TOGETHER.

That phantom, unanimous action, still eludes the companies and still mocks their efforts. It is generally admitted that the New York agreement, if adhered to by all the insurance powers, would have been regarded by San Francisco merchants and propertyowners as a liberal mode of settlement. But the action of certain American and English companies in adopting a policy of "pay anyway, liable or not," soon created a party of "dollar for dollar" companies and brought the "six-bitters" into apparent contempt. The opportunity of advertising on a large scale, and striking a fierce blow at a rival, proved too much for some companies to resist. And this method has undoubtedly served its purpose by swelling the premium receipts of those which adopted it and bringing into public disfavor the companies whose effort at just settlements has finally resulted in a most undignified form of discounting whenever the assured will stand for it. If half the companies openly proclaim that the falling building clause does not apply, it is an impossible feat of the mind to imagine California courts supporting the legality of a defense depending upon its terms. So, recognizing the condition of affairs, our friends of the so-called six-bit class also abandon their rights under the contract and simply say "seventy-five cents or wait," and their richer brethren echo "eighty-five cents or may be less bye-and-bye." A company is either liable or not liable. It should either pay or deny. Or else, all adjusters, acting in concert, an average might have been struck which would necessarily involve its acceptance, and would have poured an immediate volume of money into the hands of policyholders with which to rebuild a stricken city. Seventy-five cents paid in May, June and July would have saved the rebuilding of San Francisco from a year's delay, but the tedious subterfuges and disjointed actions of adjusters have now merely served to tie

up reconstruction and postpone the commercial boom the city's future undoubtedly holds.

PROPERTYOWNERS SHOWED UNITED FRONT.

As a startling contrast to the vacillation of companies is the unbroken front of courage and confidence displayed by the people of San Francisco. Undismayed by the disaster, and unalarmed at the threats of adjusters, they were willing to bluff, but would not be bluffed, ready to wait but would not quit, stricken hip and thigh but did not complain. Public officials stormed for a while and the newspapers raged in heavy leads, but the clear-headed merchants, playing the wiser game, checked such things with a few discreet hints.

Against such a united front the undisciplined adjusters gave way, and adjustments ended in a route of settlements at any price. The loss committees flickered into a farce, and it is seldom now that values of property or legality of claims play any part in settlement. A salvage is a discount off the face of a policy for cash, and the amount of such discount, or a willingness to forbear the demand for it, decides what the policyholder is to receive.

EARTHQUAKE CLAUSE COMPANIES BACKING DOWN.

Even the companies armed with earthquake clauses, after carefully preparing the ground for a backdown by qualified denials of liability in published statements, have made settlements with the great majority of their claimants at fifty or seventy-five per cent. And with the possible exception of the Austrian Phoenix of Vienna and the Rhine and Moselle of Strasburg, all the continental companies (in the early days so absolute in denial, or so confident in silence) have made preliminary moves that can only be regarded as significant. Moreover it may be considered not unreasonable to suppose that companies with money will now have to pay whether they like it or not.

EXPENSIVE INDECISION.

This again reverts us to our premise that a prompt and courteous offer of a cash compromise would have been acceptable and the story of the settlements undoubtedly proves that indecision and delay on the part of the companies are the primary causes of the adjusters discomfiture. The old lesson upon the advantages of unanimity has been retaught and the punishment for ignoring it is being reinflicted.

REINSURANCE PRACTICES CONTINUE.

Nor are the troubles of reinsured companies a novel sight. Even on the Pacific coast where it was so largely practiced, the disadvantages of the system were not unknown. Yet home offices permitted it, and, strange to say, they are showing signs of already reverting to the custom which had in fact been never really abandoned. It is probably safe to say that in a very few years net premiums will by no means indicate original liability.

OLD DIFFERENCES NOT BURIED.

Another surprise may be found in the fact that, even after their severe losses, the boarders and the non-boarders have not yet sunk their differences. C. J. Stovel, formerly only belonging to local boards but never a devotee of bad practices, set a fine example by applying, immediately after the fire, for admission to the board, even at the sacrifice of four valuable branch offices. But his lead has not yet been voluntarily followed by others.

PHYSICAL EFFECTS OF THE CONFLAGRATION.

In physical effect the fire taught the same lessons as Baltimore and elsewhere. The fireproof buildings withstood the flames no better, and wide streets not brick walls were the only checks that served. In fact it is a curious circumstance, often quoted as an endorsement of the low California loss ratio in frames, that the conflagration swept the whole brick and stone area into ruins and left a circle of frame buildings standing to mark its limits.

REDWOOD WILL BURN.

Considerable interest, by the way, has been displayed by Eastern insurance men visiting the coast in the much boasted redwood of California. It strikes the inquiring stranger as curious that the same redwood, for which coast managers claim such wonderful fire resisting qualities, is the material most commonly used for kindling wood. But even now the real virtues of the wood are but little understood. Being a light and practically non-resinous wood, it ignites easily and burns readily, but its porous fiber enables it to easily absorb water. The San Francisco Fire Department owes its many years of brilliant success to its principle of confining fires, at any cost, and the qualities of redwood in absorbing and retaining water offer the best possible aid to the efforts of the firemen.

Unfortunately, in the wild scramble for lumber since the conflagration, any kind of wood has been made use of in erecting temporary buildings and rebuilding outside the fire limits. But even under such con-

ditions an immense amount of redwood has been used in construction and will assist to make the loss ratio for the first year or two in the new San Francisco the wonderful record it bids fair to be.

OPPORTUNITIES FOR COMPANIES TO RECOUP.

Those companies wise enough to profit by the opportunity presented them can scarcely fail to realize immense profits by writing San Francisco business, and the more timid cannot but regret in future years the chance of recouping some of their losses that they are allowing to slip through their fingers. With rates advanced from 100 to 500 per cent, and the moral hazard on most business cut down to nothing, with scarcely a mercantile building of over two stories and the fire-fighting facilities practically as good as before, what more can underwriters ask?

Along Fillmore street there exists a distinct hazard, in that many of the buildings are old or ill constructed, and the street is narrow; but on Van Ness avenue, with its magnificent width and low buildings, and throughout the burned area, with unimproved lots cutting each block into fractions, extensive fires are physically impossible.

From an underwriting standpoint the town that will first arise from the ashes will be one of low-loss ratios. The temporary frame structures are, in almost every part of the city, well scattered, and the buildings now being erected are one or two-story brick buildings. The immense advance in the cost of material and the high wages necessary to obtain labor have postponed the dreams of immediately building the "Greater San Francisco." In order, therefore, to obtain income from the land propertyowners are using the bricks taken from the old walls to erect buildings that may be utilized for a few years, before they give way to high modern buildings. These "temporary" brick structures, even though often poorly constructed, are all low and will be easily handled in case of fire. The "new San Francisco" will be a low, brick town and will stand for several years till it is replaced, as the population demands it, by the "Greater San Francisco" of modern skyscrapers. The first stage of reconstruction will be a rich harvest for underwriters, and the second period need not be considered till it is nearer at hand.

REPUTATIONS EARNED BY THE COMPANIES.

In the meanwhile the reputations of many companies are being very roughly handled. In the early paragraphs of this letter the adjustment situation was referred to in generalities; and although anyone thoroughly conversant with all aspects of the case cannot fail to admit the truth of what has been said, there is another side of the question that has not been touched upon. As soon as it became apparent beyond a doubt that there was to be no unanimity among the companies, it rested with each of them to choose the course best suited to its individual needs. Many companies thereupon decided to make a virtue of a necessity and displayed the requisite pluck in carrying out a policy of willingly paying in full. Such companies have undoubtedly achieved a reputation that will be of great value for many years to come. Others, from weakness in most cases, clung to the notion of heavy discounts and obtained them as best they could. Where an inability to pay in full was bonafide, little trouble was experienced in making settlements at a given percentage. But when companies, financially solvent, attempted cuts based upon no theory of non-liability, bitter comment was inevitable. The methods adopted in some cases of enforcing reductions cannot be too highly censured. Many a company whose name last year was considered a guarantee of good indemnity has now earned a most unenviable notoriety. But what effect the modes of settlement in San Francisco will have upon the future history of the companies concerned is now more a matter for speculation than for prediction.

San Francisco, October 16.

OCCIDENTAL.

—What purports to be a "Directory of Fire Underwriting Corporations" is published in The Insurance Press of October 17, 1906, which contains the names of but 43 companies. As there were at least 53 companies not named in The Press list, which on January 1, 1906, each had assets in excess of \$1,000,000, it would be interesting to know just what the list is intended to represent. Among the millionaire companies omitted are such prominent corporations as the Continental of New York, the Connecticut of Hartford, the Niagara of New York, the Orient of Hartford, the Providence Washington, the Rochester German, the London and Lancashire and the Phoenix of London. A corresponding directory of life underwriting corporations gives 51 organizations, but omits such well-known and old-established companies as the Connecticut Mutual Life, the Germania and the Maryland Life, while including two companies not organized under legal-reserve laws. Inasmuch as there are more than 130 life companies licensed in the United States as old-line companies, the value of this "directory" is problematical.

MISCELLANEOUS FIRE NEWS.

NATIONAL ASSOCIATION OF LOCAL FIRE INSURANCE AGENTS.

Annual Convention at Indianapolis.—Inspection Methods Criticised.—President's Address.—Federal Supervision Discussed.—Secretary's and Committees' Reports.—Rate-Making Considered.—Membership of Association Growing.—Various Commission Plans Debated.—D. M. Parry Has a Grievance.—The Great San Francisco Conflagration.—Officers Elected.

MEETING OPENS WITH GOOD ATTENDANCE.

The eleventh annual meeting of the National Association of Local Fire Insurance Agents opened at Indianapolis October 17, with nearly six hundred visitors and delegates in their seats. J. R. Welch, president of the Indianapolis Fire Association, was scheduled for the opening address, but he announced that he was not in good voice, and after expressing the hope that the meeting would be the most successful in the history of the association introduced Mayor Charles A. Bookwalter, who delivered the address of welcome.

MAYOR BOOKWALTER CRITICISES INSPECTIONS.

The mayor's welcome differed from the regulation style, in that it did not contain the usual assortment of bouquets. The mayor first contrasted a fire agent with a life agent. The life agent only looks good on the day after the funeral, but the fire agent always looks good. He is the business man's friend, because he is always in favor of low rates and liberal adjustments. Since adequate fire protection is necessary to any good business man's credit, the fire agent becomes one of the most useful of citizens.

The mayor confessed that he "had something in his system" against the fire insurance companies of which he desired to relieve himself and he narrated his experiences with inspectors and bureaus, both as a policyholder and as a public official. A "Mr. Nobody of Nowhere" came to the mayor's factory and threatened him with various penalties if he did not throw open the doors for inspection. The mayor yielded in trepidation and the expert inspector knocked off a sprinkler head and ruined \$400 worth of manufactured products. When the inspection was over the mayor discovered that the inspector represented nobody in particular and that he would have to pocket his loss and digest his wrath.

The mayor grew almost pathetic as he told of his wrestlings with the rate problem. Every once in a while a representative of a company or bureau would appear and demand to inspect the city's fire apparatus. He would subject the engines to a test such as never occurs in actual fires and then send the engines to the machine shops. After compelling the city to buy more engines, put in more fire plugs, buy additional hose and increase the water pressure, the companies raised the rates. The mayor then expressed his satisfaction at having gotten this complaint out of himself and acquitted the agents of having any part in his troubles. His address made one of the greatest hits of the convention and he was given three lusty cheers and a tiger by the audience.

Edwin H. Forry, president of the Indiana association of agents, next delivered an address of welcome on behalf of his association, and E. W. Beardsley of Hartford, Conn., responded.

PRESIDENT TAPPING'S ADDRESS.

Before reading his report President Tapping stated that a press of other matters prevented him from writing it until the last moment and in the hurry of the moment he had unintentionally omitted some things. He begged leave, therefore, to express his deep appreciation of the hearty and loyal support which the association and officers had received at the hands of the insurance press.

The report gave a brief review of what the association has accomplished in the last ten years and was largely an eulogy of the work of Secretary Putnam. President Tapping earnestly advocated the employment of a salaried manager to look after all the interests of the association and assumed that such a manager would be decided upon at this meeting. The money for his salary will be raised by selling advertising space in The Bulletin, by increasing the membership fees of the association and by pledges from the members. No one but Mr. Putnam could be thought of for this position, and he closed by paraphrasing Tennyson. "Presidents may come and presidents may go, but Putnam stays with us forever." The sentiment was highly applauded.

SENATOR BEVERIDGE ON FEDERAL CONTROL.

The last speaker of the opening session was Senator Albert J. Beveridge. His subject was "Relation of Congress to Life Insurance." He described his position as somewhat similar to that of Mark Twain when

he advertised a lecture on "The Snakes of Ireland." When Twain appeared before his audience he opened and closed with the single sentence, "There are no snakes in Ireland." The Senator implied that there are no relations between Congress and fire insurance and said that the difference between him and Twain was, that Twain chose his subject, while his was thrust upon him.

The Senator suggested possible and probable legislation by Congress on all kinds of insurance. He would require and expects to see carefully trained and well-informed agents, uniform securities, uniform supervision and uniform policies. He expects to see these things realized within the next ten years either by mutual agreement of companies and parties interested, or by legislation. He touched slightly upon the celebrated case of Paul vs. Virginia, in which the Supreme Court decided that insurance is not inter-State commerce. He was respectful toward the Supreme Court, but submitted that if a telegram sent from New York to Indiana and a lottery ticket sent from New York to Ohio, are inter-State commerce, he failed to understand why a life insurance policy issued in New York to a citizen of Indiana or another State could fail to be inter-State commerce. He went on to show that the court has regularly overruled its own decisions as the necessities of business and government have arisen, and he expects that it will do so again in the matter of Federal supervision of insurance companies. This he asserted is sure to come at no distant date. He then dwelt upon the Ames bill, which has been recommended by President Roosevelt and which proposes to establish a kind of experimental bureau in the District of Columbia for the regulation of all companies doing business in that district. The Ames bill, he thinks, will pass in a year or two. The Senator's speech was received with enthusiasm and three cheers, and one excited delegate nominated the Senator for President in 1908.

SECRETARY AND COMMITTEES REPORT.

C. H. Woodworth of Buffalo, chairman of the conference committee, stated that his report had been printed and distributed and he would not read it. He begged to say, however, that never before had the agents received such kindly and courteous consideration from the insurance companies and he felt that the association had made great progress. He suggested that a vote of thanks be given the insurance journals, and the resolution was adopted by a rising vote.

Secretary Putnam was received with a storm of applause. He began by saying that it seemed to him that there was too much Putnam in the convention and he begged to acknowledge his hearty appreciation of the assistance which he had received from the executive officers. He spoke of his duties in answering letters, editing *The American Agency Bulletin*, raising funds to carry on the work of the association, visiting local agents, arbitrating rate wars and settling troubles generally.

The report of E. B. Case, chairman of the executive committee, was short and dealt principally with the mid-winter conference which was held at Chicago in March. At that meeting the question of State deposit law was considered, and while it was the opinion of the committee that such laws are unnecessary and a handicap to the insurance business it was decided not to recommend any resolution on this subject to the present convention.

THE RATING PROBLEM CONSIDERED

George D. Markham of St. Louis read a paper on the rating problem from the agent's point of view. He expressed his surprise that agents should give so little thought to this question while the public is in such a state of excitement and irritation on this subject. The alert agent should be alarmed when he considers that sixteen States have passed anti-compact laws since 1885, and nearly all the other States have attempted to pass such laws. He considered the "fire insurance trust," quoted freely from the daily press, analyzed a passage from Bryan's Madison Square speech, and decided that it would be difficult to convince the public that fire insurance is not a monopoly. While at one time he held a contrary view, he is now convinced that it would be best to leave rate making in the hands of the officers of the company.

W. L. King of Chicago, Western manager of the Providence Washington, considered rating from the company's standpoint. In principle he and Mr. Markham substantially agreed. He dwelt upon the difficulties of reaching a scientific basis for rates, and asserted that the classical slough of despond was a macadamized road compared with the country which fire insurance companies had traveled through in trying to get at fair and equitable rates. He praised the Dean schedule as the best that has yet been devised. Over 4000 towns in sixteen States are now rated under it, with the result that ancient and nerve-racking troubles are disappearing.

LARGE INCREASE IN MEMBERSHIP.

On Wednesday morning, Treasurer W. H. Mandeville made a brief and striking report. He said that the interest in the National Association had grown steadily, and that in twenty-seven States the increase in membership was over twenty-one per cent.

COMPENSATION OF AGENTS.

O. E. Johnson of South Carolina read the first paper of the day on the subject of compensation. He considered the three methods of compensating the agents, namely, flat commission, graded commission and contingent commission. The first two methods are most generally in use, and after showing wherein they are weak and unfair, he advocated the contingent commission plan. He thinks that now is the time for reform and hopes that this method will soon be universally adopted.

C. S. Pellet of Chicago also read a paper on the same general subject. He agreed perfectly with Mr. Johnson in advocating a contingent commission, but had something to say on his own behalf. He laid down the broad principle that any commission was good enough for him if it was as large as his competitor's, but that no commission was sufficient which was lower than his competitor's. He showed how inequality in commissions led to rebating, rate-cutting and other disreputable practices.

These two papers were probably in a large measure responsible for a resolution calling for a universal commission of fifteen per cent, and a contingent ten per cent, which was adopted by the convention.

REMARKS BY D. M. PARRY.

It was expected that D. M. Parry, president of the Manufacturers Association, and who is well known as an organizer of employers associations and an officer in a mutual fire insurance company, would make some criticisms which would be of benefit to the convention. But he was very courteous and amiable and in the main commended the old line companies. When the Legislature of Indiana was asked to relieve mutual fire insurance companies and Mr. Parry took some part in the effort to secure the relief, a large amount of the insurance on his manufacturing plant was canceled without warning. When he asked an explanation he was told that he was under a boycott and his well-known opposition to labor unions made the moral risk too great. Mr. Parry intimated that this explanation did not seem to him to be quite adequate and he thought that such arbitrary actions on the part of fire insurance companies would not raise them in public esteem.

W. N. BAMENT TELLS OF SAN FRANCISCO FIRE.

Following Mr. Parry, W. N. Bament, adjuster for the Home of New York, told the "Story of the San Francisco Fire." It was a highly interesting account of the fire, earthquake and subsequent adjustments. Mr. Bament estimates the property loss at San Francisco at \$300,000,000 and the insurance loss at about \$190,000,000. Of the insurance loss, \$125,000,000 was paid within five months after the fire. All property was greatly under-insured in San Francisco. One hotel that cost \$3,000,000 suffered a loss of \$1,000,000. It was insured for \$250,000. Mr. Bament thinks that the high price of labor and materials will greatly retard the rebuilding of the city.

CONCLUDING BUSINESS.

The last session of the convention started off slowly. Most of the visitors and delegates were "seeing Indianapolis," on a trolley car, and the first forty-five minutes were taken up by W. A. Eldridge of Detroit; Thomas E. Gallagher, and others who have a gift for bandinage and story telling. When the room was once more well filled the committee on resolutions made its report, and then occurred the most vigorous debate of the convention. C. H. Woodworth of New York proposed a slight change in the wording of the clause relative to contingent commissions, but the opposition was so strong that a split seemed imminent. At a critical moment, however, Secretary Putnam explained that Mr. Woodworth's amendment was unobjectionable, and as he had been responsible for the language of the original draft, he recommended that the amendment be accepted. His suggestion was like oil on troubled waters and the amendment was carried.

ELECTION OF OFFICERS.

The nominating committee then made its report and the following officers and committeemen were elected: President, C. F. Wilson, Denver, Col.; vice-presidents, F. W. Offenhauser, Texarkana, Tex.; E. W. Beardsley, Hartford, Conn.; Fred Guenther, Detroit, Mich.; A. W. Neale, Cleveland, Ohio; E. B. Case, Chicago; L. W. Childrey, Norfolk, Va.; B. L. Baldwin, Omaha, Neb.; H. N. Pinkham, Portland, Me.; F. G. Lumpkin, Columbus, Ga.; J. N. Manson, Wausau, Wis.; E. H. Forry, Indianapolis, Ind.; secretary H. H. Putnam, Boston; chairman executive committee, C. S. Pellett, Chicago; chairman grievance committee, W. B. Flickinger, Erie, Pa.; chairman legislative committee, G. D. Markham, St. Louis; chairman committee on State organization, F. R. Leib, Harrisburg, Pa.; treasurer, W. H. Mandeville, Olean, N. Y.

The convention closed with invitations from St. Paul, Hot Springs and Norfolk, Va., for the next convention. The meeting-place of the next convention was not decided upon, but was referred to the incoming executive committee.

It was the feeling of everyone who visited the convention, that while it was not the largest in point of attendance, it was, on the whole, the most successful in the history of the association.

FIRE INSURANCE STOCKS AND DIVIDENDS.

NAME OF COMPANY.	Par Value of Stock.	Capital Paid Up.	Net Book Value of Stock Per \$100 Jan. 1, 1906.	LAST DIVIDEND DECLARED.		Latest Sale of Stock, Price (Per Cent)
				Date.	Per Ct.	
<i>New York State Companies.</i>						
Adirondack, New York.....	100	\$200,000				
Agricultural, Watertown.....	100	500,000	\$271.45	*Jan., '06	10	.....
Albany, Albany.....	50	250,000	200.93	*June, '06	4	150
Assurance Co. of America, N. Y.....	100	1200,000	155.87			.....
British-American, New York.....	100	200,000	159.36	*Jan., '06	5	.....
Buffalo Commercial, Buffalo.....	500	200,000	166.26	*July, '06	4	120
Buffalo German, Buffalo.....	100	200,000	917.31	*Jan., '06	10	700
Caledonian American, New York.....	100	200,000	145.89	*Nov., '05	2½	150
City of New York, New York.....	100	200,000	247.80			260
Colonial, New York.....	50	200,000	165.13	*Feb., '06	6	100
Commerce, Albany.....	25	200,000	174.60	†Aug., '06	2	151
Commercial Union, New York.....	100	200,000	165.06	*July, '06	3½	.....
Commonwealth, New York.....	100	500,000	200.99	*Jan., '06	6	150
Continental, New York.....	100	1,000,000	942.42	*July, '06	22½	1401
Cosmopolitan, New York.....	...	300,000				.....
Dutchess, Poughkeepsie a.....	100	200,000				.....
Eagle Fire, New York.....	40	300,000	225.36			.....
Empire City, New York.....	100	200,000	144.17	*July, '06	3	127
Fidelity Fire, New York.....	100	1,000,000				350
German Alliance, New York.....	100	400,000	257.28	*July, '06	6	305
German-American, New York.....	100	1,500,000	529.51	*July, '06	15	505
Germania, New York.....	50	1,000,000	388.96	*July, '06	5	451
Glens Falls, Glens Falls.....	10	200,000	1,397.03	*July, '06	15	1510½
Globe and Rutgers, New York.....	100	400,000	414.03			315
Hamilton, New York.....	15	g200,004	102.88	*Jan., '04	3	133
Hanover, New York.....	50	1,000,000	192.55	*Jan., '06	4	150
Home, New York.....	100	3,000,000	390.68	*July, '06	10	495
Indemnity, New York.....	100	200,000	147.39			150
Liverpool and Lon. and Globe, N. Y.....	100	200,000	203.69	*Jan., '06	5	.....
Lumber, New York.....	100	200,000	155.95	*Jan., '06	15	150
Nassau, Brooklyn.....	50	200,000	224.43	*Jan., '06	5	220
National Lumber, Buffalo.....	100	200,000	123.69			1130
Niagara, New York.....	50	5750,000	462.08	*	10	275
North British and Mercantile, N. Y.....	100	200,000	348.01	*July, '06	5	.....
Northern, New York.....	100	350,000	128.85	*July, '06	2½	100
North River, New York.....	25	350,000	225.97	*April, '06	5	200½
Pacific, New York.....	25	200,000	184.39	*July, '06	3	100
Pelican, New York.....	...	200,000	159.90			.....
Peter Cooper, New York.....	20	150,000	154.60	*Aug., '06	5	180
Phenix, Brooklyn.....	50	1,000,000	323.67	*Jan., '06	20	300
Queen, New York.....	100	1,000,000	372.26	*July, '06	5	.....
Rochester German, Rochester.....	100	c500,000	344.83	†April, '06	2½	.....
Stuyvesant, New York.....	25	200,000	176.06	*Jan., '06	3	125
Union, Buffalo.....	100	200,000	156.14	*Aug., '06	3	162
United States, New York.....	25½	250,000	124.15	*Jan., '04	3	85
Westchester, New York.....	10	300,000	659.37	*Aug., '06	15	400
Williamsburgh City, Brooklyn.....	50	250,000	696.84	*July, '06	10	800
<i>Other State Companies in New York.</i>						
Ætna, Hartford.....	100	4,000,000	271.57	†Oct., '06	4	398
Allemania, Pittsburg.....	50	200,000	206.59	*July, '06	4	166
Alliance, Philadelphia.....	...	500,000	191.55			.....
American, Newark.....	5	600,000	505.07	†Oct., '06	4	552
American Central, St. Louis.....	100	1,000,000	243.15	†Sept., '06	3	205
Ben Franklin, Allegheny.....	50	200,000	162.54	*July, '06	8	200
Boston, Boston.....	100	1,000,000	306.11	†Oct., '06	3	255
Calumet, Chicago.....	...	200,000	225.57			.....
Camden, Camden.....	5	400,000	229.08	*Jan., '06	10	.....
Capital, Concord.....	100	200,000	152.00	*Oct., '06	2½	110
Citizens, St. Louis.....	100	200,000	195.11			280
Concordia, Milwaukee.....	100	c300,000	197.42	*Jan., '06	4	.....
Connecticut, Hartford.....	100	1,000,000	269.39	*July, '06	6	300
County Fire of Philadelphia.....	100	400,000	156.06	*July, '06	4	150
Delaware, Dover.....	50	200,000	131.46	*Jan., '05	2½	140
Delaware, Philadelphia.....	10	d400,000	128.57	*Jan., '05	3½	230
Detroit F. and M., Detroit.....	50	500,000	253.90	†Sept., '06	2½	250
Dubuque F. and M., Dubuque.....	100	200,000	216.38	*July, '06	7	250
Eastern Fire, Atlantic City.....	100	200,000	160.69	*Jan., '06	9	140
Equitable F. and M., Providence.....	50	400,000	159.65	*Jan., '06	4	106
Federal, Jersey City.....	...	500,000	271.23	*Jan., '05	10	.....
Fire Association, Philadelphia.....	50	500,000	402.64	*May, '06	40	670
Firemans Fund, San Francisco.....	100	1,000,000	371.81	*Jan., '06	5	.....
Firemens, Newark.....	50	1,000,000	279.23	*July, '06	3	360
Franklin, Philadelphia.....	100	400,000	349.17	*April, '06	10	200
Georgia Home, Columbus.....	100	300,000	184.07	*July, '06	5	150
German, Freeport.....	100	200,000	1,076.03	*Jan., '06	15	.....
German-American, Baltimore.....	25	200,000	152.82	*July, '06	3	100
German, Peoria.....	100	200,000	163.22	*Jan., '06	9	.....
German, Pittsburg.....	50	200,000	156.61	*July, '06	6	170
German, Wheeling.....	100	200,000	201.68	*July, '06	5	210
German National, Chicago.....	100	200,000	177.17			.....
Girard F. and M., Philadelphia.....	100	300,000	332.62	†Oct., '06	5	331
Granite State, Portsmouth, N. H.....	100	200,000	200.19	*July, '06	8	137
Hartford, Hartford.....	100	1,250,000	509.98	*July, '06	10	520
Humboldt Fire, Allegheny.....	50	200,000	223.39	*July, '06	4	200
Indianapolis, Indianapolis.....	100	200,000	149.31	*July, '06	3	165
Ins. Co. of North America, Phila.....	10	3,000,000	216.24	*July, '06	6	230
Ins. Co. of State of Pa., Phila.....	100	200,000	142.09	*Jan., '01	2½	.....

NAME OF COMPANY.	Par Value of Stock.	Capital Paid Up.	Net Book Value of Stock Per \$100 Jan. 1, 1906.	LAST DIVIDEND DECLARED.		Latest Sale of Stock, Price (Per Cent)
				Date.	Per Ct.	
Lumbermens, Philadelphia.....	25	\$250,000	\$395.69	*July, '06	6	280
Mechanics, Philadelphia.....	25	250,000	201.13	*July, '06	5	180
Mechanics & Traders, New Orleans.....	100	300,000	145.92			130
Mercantile F. and M., Boston.....	100	400,000	117.07	*Jan., '06	4	
Metropolitan, Chicago.....	100	200,000	110.69	*Jan., '06	5	125
Michigan Commercial, Lansing.....	50	c300,000	122.43			170
Michigan F. and M., Detroit.....	50	400,000	170.67	*July, '06	3	120
Milwaukee Fire, Milwaukee.....	10	200,000	177.64	*Jan., '06	5	210
Milwaukee Mechanics, Milwaukee.....	10	200,000	778.60	*Jan., '06	20	
National, Allegheny.....	50	200,000	252.99	*July, '06	8	230
National, Hartford.....	100	1,000,000	318.09	*Jan., '06	7	285
National Union, Pittsburg.....	100	750,000	139.86	*Jan., '06	4	
Newark, Newark.....	5	250,000	214.46		10	
New Brunswick, New Brunswick.....	25	200,000	122.26	†July, '06	2½	150
New Hampshire, Manchester.....	100	1,000,000	223.76	*July, '06	5	200
New Jersey Fire, Camden.....	12½	200,000	125.00			
Northwestern National, Milwaukee.....	100	f1,000,000	303.89	*July, '06	7½	217
Old Colony, Boston.....	...	400,000				
Orient, Hartford.....	50	500,000	259.50		10	
Pennsylvania, Philadelphia.....	100	400,000	848.17	*Sept., '06	10	400
Phoenix, Hartford.....	100	2,000,000	219.05	†Oct., '06	2½	270
Providence Washington, Providence.....	50	500,000	233.60	*Jan., '06	5	126
Reliance, Philadelphia.....	50	300,000	167.72	*June, '06	3	146
Security, New Haven.....	40	500,000	172.20	*Jan., '06	4	
Shawnee Fire, Topeka.....	100	200,000	251.16	*July, '06	5	200
Southern Fire, Lynchburg.....	...	h108,456	182.53			
Springfield F. and M., Springfield.....	100	2,000,000	198.30	*July, '06	5	250
Spring Garden, Philadelphia.....	50	400,000	175.72	*Jan., '06	3	
St. Paul F. and M., St. Paul.....	100	500,000	363.17	*Jan., '06	5	1175
Standard, Trenton.....	25	200,000	190.28	*April, '06	3	162
Star Fire, Louisville.....	100	200,000				
Teutonia Fire, Allegheny.....	50	200,000	213.66	*July, '06	8	190
Teutonia, New Orleans.....	100	250,000	154.65	*Jan., '06	5	150
Union, Philadelphia.....	20	200,000	178.39	*Jan., '04	2½	125
United Firemens, Philadelphia.....	10	c300,000	174.86	*June, '06	5	180
Virginia F. and M., Richmond.....	25	250,000	234.31	*July, '06	4	200
Virginia State, Richmond.....	25	200,000	163.11	*July, '06	3	130
Western, Pittsburg.....	50	300,000	121.09	*July, '06	3	123

* Semi-annual. † Quarterly. ‡ Capital decreased in 1906 from \$400,000. a New company organized; old Dutchess retired owing to San Francisco conflagration. b Capital increased in 1906 from \$500,000. c Capital increased in 1906 from \$200,000. d Capital decreased in 1906 from \$702,875. e Capital is being increased to \$400,000. f Capital increased in 1906 from \$600,000. g Capital increased in 1906 from \$150,000. h Capital increased in 1906. Bid. s Annual.

VARIOUS ITEMS.

—Up to October 6 the Insurance Company of North America had paid to its San Francisco policyholders \$3,609,197 without deducting reinsurance.

—A. C. Heltzel, formerly special agent of the Northern, has been appointed special agent of the Orient and the London and Lancashire in the mountain field, succeeding Burns Macdonald.

—Attorney-General Webb of California, in his report to the Governor, recommends the introduction of a standard form of fire insurance policy and the passage of a statute requiring deposits from foreign companies.

—The Glens Falls recently received the following telegram from General Agent G. B. Greenslet, who has been in charge of the company's settlements in San Francisco: "This strenuous task is accomplished. Sing the Hallelujah chorus, and our 800 satisfied claimants, having received over \$1,000,000, will join in the refrain * *."

—The Seattle Fire and Marine Insurance Company of Seattle, which recently increased its capital, advises us that the published statement that the company is undergoing reorganization is incorrect, and that the only change which has taken place in it since it was chartered is the change in name from Manufacturers Indemnity Association, early in 1906.

—British Fire Prevention Committee Red Books recently issued embrace: No. 116 ("Fire Tests With Glass," price \$1.75); No. 113 ("Fire Test as to the Protection of Window Openings," price \$1.25), and No. 114 (price \$1.25), covering "Fire Tests With Floors;" a floor of reinforced concrete by the Patent Indented Steel Bar Company, Limited, London. The latter comprises reports of observations before, during and after the test, with diagrams, tables and illustrations. Copies of the Red Books may be procured through The Spectator Company, 135 William street, New York.

—O. E. Johnson of the Charleston, S. C., agency of Ravenel, Johnson & Robertson, recently unearthed an interesting contribution to fire insurance history in this country. Heretofore it has been generally accepted that Philadelphia saw the birth of the first fire insurance company, but Mr. Johnson, while perusing "South Carolina, Under the Royal Government," by General Edward McCrady, came upon the following, which has been authentically established from files of The City Gazette, the first newspaper published in Charleston: "They state that the proposed value of those who had subscribed amounted to about £100,000. The society was organized on the 3d of February (1736), under

the name of 'The Friendly Society.' John Fenwicke, Samuel Wragg and Charles Pinckney were chosen directors; John Crokat and Henry Peronneau, merchants; Gabriel Manigault, treasurer; Gereit Van Velcen and John Laurens, fire marshals."

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

The Home Life of this city reports a very favorable increase in business for the quarter ending September 30. Paid-for business for the preceding three months was \$3,216,000, while the writings for the same period of 1905 amounted to \$2,885,000.

On December 12, the Germania Life will elect five directors. The candidates are Carl Kloenne, Alfred Roelker, Heinrich Rose, Max A. Wesendonck and Ewald Fleitman. All but Mr. Fleitman are at present members of the board.

President Tatlock of the Washington Life has chosen Gardner Ladd Plumley as actuary of that company. Mr. Plumley is the son of the late Gardner Spring Plumley, D. D., and is a Fellow of the Actuarial Society of America. He has been connected with the life insurance business from boyhood, starting at the age of fourteen with the Provident Savings Life. After five years with that society, he left business that he might obtain a more complete education. In 1888 he returned to life insurance work in the actuarial department of the Mutual Life. After five years with the Mutual, he was chosen by the Home Life as assistant actuary. His health demanding an entire rest from business, he resigned from the service of the Home Life in 1903. Mr. Plumley's record shows that the Washington's new actuary is a man of ample experience and well fitted for his tasks.

BOSTON AND VICINITY.

Frank A. Wesley, assistant director of agencies of the Columbian National Life, has been elected a member of the board of directors.

Louis D. Brandeis, a Boston lawyer who suddenly blossomed forth as one possessed of profound knowledge regarding life insurance about the beginning of the life insurance investigations, addressed the Twentieth Century Club, last Saturday, on the subject of permissive savings bank insurance. His theme dealt principally with what he termed "the waste and the oppression of the existing system of industrial insurance."

NOTES FROM PHILADELPHIA.

It is reported that there is again a prospect of a compact being formed among the plate glass insurance companies covering this field. Heretofore the Philadelphia Casualty has blocked all efforts in that direction by refusing to become a member of such an organization or be bound by its rules or rates. At one time there was a strong sentiment prevailing that, should a compact be formed, a stamp clerk should be provided for; but, judging by the attitude of some offices, which object to laying their business bare before any one but their own representatives, it seems as though this feature would have to be abandoned in the event of the formation of a compact. The suggestion that it might be well to rate certain risks here as is done in New York, is also not favored by agents generally.

The selection of W. G. Sweeney, of the home office of the Philadelphia Life, to be the manager of the Illinois branch of the company being established at Chicago, is looked upon as a particularly good move, in view of the record he has made here. The company will also sell stock in connection with insurance in that State.

—The October number of The Journal of the Institute of Actuaries contains a paper on "Reversionary Securities as Investments," by C. R. V. Coutts; the new French assurance law, and tables of continuous temporary annuities, Om 2¼ per cent. Other features include examination papers and the report of the annual meeting. Copies of this number may be obtained through The Spectator Company, 135 William street, New York, at \$1 per copy.

THE MIDDLE STATES.

Ernest J. Heppenheimer Elected President.

At the quarterly meeting of the directors of the Colonial Life Insurance Company of America, held on October 18, Ernest J. Heppenheimer was elected president, the former president, Edward F. C. Young, accepting the vice-presidency, and John A. Walker, former vice-president, the second vice-presidency. This action, which was taken upon the initiative and recommendation of Mr. Young, was contemplated some years ago when the success of the company first seemed assured, but was deferred until such time as it would appear not only that the future outlook spelled prosperity but that success had been achieved beyond peradventure. Mr. Heppenheimer takes his place at the head of the company with the loyal support of a well-trained force of enthusiastic workers who have labored unceasingly for the advancement of the Colonial. With this sturdy support and the intimate knowledge of life insurance conditions gained by Mr. Heppenheimer during an extended experience, there can be but one result; the continued growth and prestige of this active company.

—The Fidelity Mutual Life has appointed William A. Rice general agent at Altoona, Pa.

—The Fidelity Mutual Life has experienced a very good year, and is calling upon its agents for a good volume of business to round out 1906.

—Thomas F. Behan, of Albany, has been appointed Third Deputy State Superintendent of Insurance, at an initial salary of \$3600. Mr. Behan entered the Insurance Department in 1888, and two years ago he was admitted to the bar. He is considered an expert on insurance law, is well versed in the affairs of the Department, and is a splendidly equipped man for the position. THE SPECTATOR joins with numerous friends of the new third deputy in hearty congratulations on his appointment.

—Marcus W. Adams has resigned as superintendent of agencies for the Atlantic territory of the Metropolitan Life. At the end of this year the Atlantic territory will be divided. William G. Staniland, superintendent of agencies for the metropolitan territory, has taken charge of the Jersey City, Jersey City Heights, Bergen, Union Hill, Hoboken, Bayonne, Newark, Essex, Roseville and Harrison districts, and these will later be made a part of the metropolitan territory. Other New Jersey districts will become a part of the Keystone territory, and will be under Thomas W. Dwyer, who has been in charge of the Keystone territory. William F. Dobbins, superintendent of agencies for the New England territory, has supervision of the districts in Rhode Island and Connecticut, and these are to be made a part of the New England territory. The districts north and west of the Yonkers district in New York State are transferred from the metropolitan territory to the Great Northern territory, under Superintendent of Agencies Kavanagh.

THE NEW ENGLAND FIELD.

—Frank A. Wesley, assistant director of agencies of the Columbian National Life, has been elected a director of that company.

—Parties representing about 20,000 certificate holders in the Hartford Life have brought suit to compel the distribution of the so-called safety fund of \$1,000,000. A receiver is also asked for. The suit is returnable in the Superior Court at New Haven on November 6. This is the reopening of an old controversy which has been going on for years, but which now assumes a little different form, the certificate holders having this time pooled their interests.

—Citizens of Vermont are urging the establishment of an Insurance Department. At present the Secretary of State and the Treasurer give their spare time to supervising insurance matters, for which each receives a salary of \$1000 a year. It is suggested that the office of Commissioner of Insurance be created and that the \$2000 now paid to the Secretary and Treasurer be paid to the Commissioner of Insurance, who will be expected to give all his time to insurance.

THE WEST.

Oklahoma Company Reinsured.

The Kansas City Life has reinsured the business of the American Mutual Life of Oklahoma, which was organized about a year ago. William Busby, who has made millions in the coal business, was at the head of the company. With the business taken over from the American Mutual, the Kansas City Life will have \$10,000,000 insurance on its books.

—George W. Van Fleet, formerly of St. Louis and New York, has been elected president of the Ohio Mutual Life of Cincinnati, succeeding Alexander Hill, resigned.

—The Western Life Indemnity of Chicago announces the appointment of Frank Hill, formerly with the Federal Life, as general agent in the field at large. The company has just put on the market a new line of policies, and is ready

for an active business campaign. This may be conjectured from the fact that it is now in correspondence with some three hundred agents.

—Simon W. Croy, formerly with the Mutual Life of New York, has been appointed agent for the Hartford Life in forty counties of Central Ohio, with headquarters in Columbus.

—J. H. Dunn, formerly superintendent of agents of the Security Life and Annuity, has been appointed manager for Illinois, with headquarters in the First National Bank building, Chicago. Mr. Dunn is rapidly perfecting his field organization, and expects to report a substantial volume of business before January 1.

—Berthold Kende, formerly of Portland, Maine, has taken the State agency for Minnesota of the National Life of the U. S. of A., and will make his headquarters at Minneapolis. He succeeds Colby & Sullivan. Another recent appointment by the same company is T. A. Trusty, at Little Rock, as State agent for Arkansas, succeeding Grier & Milliken. The National is making substantial progress this year.

—The American National Life Insurance Company of Detroit has filed articles of incorporation and elected the following officers: Vice-president, Joseph T. Goodrich; second vice-president and treasurer, Fred Kirts; medical examiner, Dr. W. A. Imrie; general counsel, Charles Flowers, and secretary, E. C. Brazier. The directors are Charles C. Goodrich, A. J. Reed, Walter W. Smith and Albert A. Bentley.

THE SOUTH.

—The State Mutual Life of Rome, Ga., has entered Florida.

—The Southern States Life of Atlanta is preparing several new and attractive policy forms.

—The State Mutual Life has just been licensed to do business in New Mexico, and it now operates in fourteen States.

—The Kentucky State Medical Society has adopted a rule that insurance examinations will not be made hereafter for less than \$5.

—P. C. Wadsworth, vice-president and director of agencies of the Southern States Life of Atlanta, has resigned, and is succeeded by Robert F. Moore, who has been associated with Mr. Wadsworth. It is said that Mr. Wadsworth will take up a special line of life insurance work.

—The Court of Appeals, at Frankfort, Ky., in an opinion by Judge Orear, affirmed the decision of the Campbell Circuit Court, in the case of the United States Life vs. Harry Sprinks. The decision, which is an exhaustive one, practically abrogates every contract of deferred dividend insurance, and holds that the apportionment by annual accounting shall be credited to the policy. In the case in question the appellee had taken out a policy for \$25,000, which provided for a ten-year dividend. He failed to pay the last premium, and died after the time in which the payment was to have been made. The company declared his policy had lapsed, and his heirs claimed that the extension of insurance should be applied and the policy kept in force. The lower court awarded judgment.

MISCELLANEOUS LIFE NEWS.

The National Association of Life Underwriters.

SEVENTEENTH ANNUAL CONVENTION AT ST. LOUIS,
OCTOBER 23, 24 AND 25.

[SPECIAL DISPATCH TO THE SPECTATOR.]

St. Louis, Mo., October 23.—More than 250 delegates were reported present at the opening session of the seventeenth annual convention of the National Association of Life Underwriters in the Olympic Theater to-day. The executive committee held a strenuous session on Monday evening to complete its report and devoted much time to discussion of a resolution barring executive officers of companies from membership in the association.

After an invocation by the Rev. B. T. Fullerton, the delegates were welcomed by Rolla Wells, mayor of St. Louis, and President George Benham of the local association. The roll call of delegates having been completed, President Charles W. Scovel read his address, extracts from which are presented below. This was followed by the report of the secretary, Ernest Judson Clark.

The association then became international in its character by the introduction for the first time of a delegation from Canada. President Scovel presented the members and G. H. Allen of Montreal, president of the newly organized association in that city, responded briefly, after which an address he had prepared was read in his behalf by Secretary Milne of the Montreal association.

Treasurer Eli D. Weeks was on hand as usual with his report and received the usual hearty greeting. The association has a balance on hand of \$2273, exclusive of \$1193 in the extension fund.

Jerome T. Edwards of the New York association presented a series of resolutions covering publicity rather than governmental interference, condemning legislation which interfered with the right of contract, protesting against board contracts and the sale of stock with policies, against rebating generally and that no member accept reimbursement of

expenses from a company when engaged in association work. The resolutions were referred to the executive committee.

A number of minor resolutions were introduced and referred under the rule. The president was instructed to appoint a committee to prepare suitable resolutions on the death of James L. Johnson of Springfield, Mass., a former president of the association, after which an adjournment was had until the afternoon.

The first business of the second session was the presentation of a paper by Young E. Allison of The Insurance Field on "What's the matter with the press," which was warmly received and the author was complimented with a rising vote of thanks. Discussion of the five-minute topics came next, and among the speakers were: C. W. Van Tuyl of Minneapolis; Wm. L. Scott of Philadelphia, and W. D. Wyman of Chicago.

Richard W. Cochran then read the report of the executive committee reviewing the work of the association for the year. It included the report of the sub-committee on the establishment of an official organ, and the consummation of the arrangement for the publication of life association news. The following amendment to the constitution was offered for adoption:

No person may hereafter become an officer, member of the executive committee or delegate to the association, unless he be an agent or local manager or other field worker for a regular legal reserve company, who is clearly identified with an agency as distinguished from the home office, and, unless, also, he be a member in good standing of a local association belonging to the national body. Anyone hereafter becoming such officer, member or delegate and ceasing to be eligible as aforesaid shall be disqualified for further service in said position.

Each existing ex-president for his life, and each future ex-president so long as he remains personally eligible as aforesaid, but no longer, and in either case whether he belong to a local association or not, shall be a regular member of the executive committee and a delegate at large at all meetings of the association with the privilege of the floor, and shall have the right to vote with the delegates from his local association, if any, provided, however, that in the case of a future ex-president, if he cease to be personally eligible as aforesaid, he shall forthwith be placed on the roll of honorary ex-presidents.

Exceptions were taken to the amendment by a number of delegates, and a substitute offered for it was defeated. On motion the whole report went over for discussion by sections at a future session when printed copies of the report will be available. As the hour was growing late, little interest was manifested in further discussion of the five-minute topics and an adjournment was heartily welcomed.

The programme for the sessions follows:

Tuesday Morning Session, 9:30.—Invocation, Rev. B. P. Fullerton. Addresses of welcome: Hon. Rolla Wells, mayor of St. Louis; George Benham, president Life Underwriters Association of St. Louis. Roll call of delegates. Reading minutes of previous convention. President's address. Secretary's report. Report and recommendations of the executive committee. Treasurer's report. Announcements of local committee.

Afternoon Session, 2:00.—Address, Young E. Allison, editor The Insurance Field, Louisville, Ky., "What's the matter with the press." Discussion of five-minute topics: "By what line of action this coming year can the National Association best advance the whole association movement everywhere, both in its life and growth, and in its public influence and usefulness?" "How can the meetings of local associations be made most attractive and most productive of benefit to the business of life insurance?" Address, Hon. Frederick H. Nash, former Deputy Attorney-General of Massachusetts and secretary Chicago conference of State officials, Boston, Mass. "Experimental insurance legislation."

Wednesday Morning Session, 9:30.—Address, E. E. Rhodes, mathematician Mutual Benefit Life Insurance Company, Newark, N. J., "Problems of insurance law." Continuation of discussion of five-minute topics: "How can it be demonstrated to the public that the soliciting agent is essential to the successful conduct of life insurance?" Appointment of nominating committee: Address, Sylvester F. Scovel, LL. D., professor of sociology (former president) University of Wooster, and president National Reform Association, Wooster, Ohio. "Life insurance and social duty."

Thursday Morning Session, 9:30.—Announcement of successful prize essayists: "The relation of the public press to American life insurance." Presentation of Calef loving cup. Presentation of Ben Williams vase. Reading of prize essays. New business.

Afternoon Session, 2:00.—New business. Report of nominating committee. Election and installation of officers. unfinished business. Selection of time and place of next annual convention. Adjournment. Meeting of new executive committee.

The arrangements for the banquet are: Toastmaster—Ex-President William D. Wyman; Rev. Henry Stiles Bradley, St. John's Church, South Haven, Mo.; Hon. Charles G. Dawes, Ex-Comptroller United States Treasury and president Central Trust Company, Chicago, Ill., "Sherman anti-trust law"; G. H. Allen, president Life Underwriters Association of

Canada, Montreal, Can., "The Canadian movement"; Hon. Shepard Barclay, ex-judge Missouri Supreme Court, St. Louis, Mo.

ADDRESS OF PRESIDENT SCOVEL.

In the course of his annual address, President Charles W. Scovel, Pittsburg manager of the Provident Savings Life of New York, expressed the following strong views:

Among all the developments of this epoch-making year, none is of deeper significance for the future of life insurance than the growing realization of the true status and function of the agent. I do not believe that the future historian, as he makes up the record of this world-wide, wonder-working institution, will spend much time on many matters that have been most conspicuous in current newspaper head-lines. He will be more likely to emphasize the fact that it was through certain temporary agitations in the years 1905 and 1906 that the full status of the agent began to be generally recognized. And the historian will dwell upon the resulting improvement in the personnel and morale of the agency force and its increasing influence in the development of the whole institution.

As a matter of fact there are just three essential elements in life insurance, the agent, the management, and the policyholder. I name them first in this order because it is the historic order; the order in which they come into being. The agent is the original, creative force. Before the company was, he got together the few men needed to undertake its management and the many men needed to join in insuring each other's lives through its instrumentality. When the company has passed its early stages, then its three elements take rank in importance thus: the policyholder, the agent, and the management. Then the agent's function, while not creative as at first, is reproductive; and reproduction is the nearest thing to creation. * * *

The agent is not merely the hired man of the management. He is in much closer daily touch with the friends and neighbors whom he induced to insure, and his sense of personal responsibility to them is constantly before him. His service to them is only begun with writing the application; it continues year after year in the collection of premiums, readjustments of beneficiaries, making of loans, and so on, until its culmination in helping to make proofs of claim and turning over the proceeds. At every point he is the intermediary between his policyholders and the management; at every point it is to his own interest to do the best he can for his policyholders. It is the agent who in fact personifies the distant management to his policyholders; it is he in whom they put their trust. Any man desiring information or advice about his life insurance will commonly turn to the agent whom he personally knows and trusts. Moreover, the agent with continuing renewal commissions (the plan favored by the most conservative companies) has a more permanent pecuniary interest in the future of his company and the satisfaction of all its policyholders than any salaried official or individual policyholder. * * *

The crowning recognition of the agent's status has been this year attained in his organized capacity as constituting the National Association of Life Underwriters with its seventy local associations throughout the United States and Canada. And rightly so. For here the agent's status is wholly unique. This is the only life insurance body of National scope—to say nothing of our new international scope. Our position among all life insurance men is also unique in that, as a body, we have no relation whatever to any or all of the home-office managements. We include in each district the agents who, as individuals, represent practically every one of the standard companies. Yet, as a body, each association must be and is wholly independent of, and non-partisan as to, any particular company or group of companies. This for the simple and conclusive reason that each of us, representing a different company, must in the nature of the case leave his own company behind him when he seeks common ground with the rest of us. It is for these fundamental reasons that our associations have been so widely recognized this year as standing, where for twenty-three years we have stood, directly for the great common cause of life insurance, which is the cause of the people.

Time fails me to narrate the many instances in which the public authorities in many States have welcomed and recognized the assistance received from our local bodies in matters of legislation, in hunting down individual offenders, in stopping evil practices by a few legal reserve companies and in rooting out various irresponsible concerns masquerading in the guise of life insurance. The most conspicuous instance, of course, was in New York where members of the Armstrong committee have acknowledged their indebtedness to our five strong associations in that State for proving to the committee that certain radical changes in the bills originally reported were absolutely necessary in the public interest. But this differs only in degree from what we have been doing from the first; as witness our record with the laws against rebates and other discriminations between policyholders. In 1887 our Boston association prepared and secured the passage of the anti-rebate law of Massachusetts, the first one ever enacted. Our associations elsewhere at once took it up, and themselves secured the passage of the same law by twenty States up to 1897, and the number is nearer thirty up to date. I doubt if any other body can show a like record as promoters of uniform insurance legislation. * * *

The chief business of this convention—presuming that it will ratify at all what its officers have done in accepting and acting on the invitation to join in this national movement—is to throw all possible impetus into the coming campaign to make propaganda in all the States for legislation that will really do good, and not harm, to this great public institution of life insurance. We hold our commission from the commander-in-chief himself; it runs to the humblest member of our furthest association, and it runs until the campaign is finished. That is inspiration enough for each one of us to do his duty to the end.

EXPERIMENTAL INSURANCE LEGISLATION

The Hon. Frederick H. Nash of Boston, former Deputy Attorney-General of Massachusetts, read a paper on this topic, in which he said:

My text is in these few words, "The law should follow business." They are peculiarly fitting to the business of insurance. It is not a simple, easy matter to know about insurance, though the constant accession to the ranks of life agents, of clergymen without cures, lawyers without practice, and boys without general or special education, has created a popular impression that the business is a refuge where the unfit may survive. It is a profession complicated and highly technical, not to be conducted, in my opinion, by savings banks through the employment of an extra clerk or two. I have spent eight years in learning a very little about it, and as you observe, I do not venture from home upon an insurance excursion without an actuary at my side. * * *

The conditions in New York have seemed to the legislature of that State to call for a departure from generally accepted notions concerning the limits of legislation. The law no longer follows business there, but seeks to drive it into untried channels. The administration of existing law followed so far behind, that legislation now cuts across lots and heads off business management. The result, by those of us who are not affected, is awaited with curiosity. * * *

Section 97 of the New York law limits the expense of placing new policies to the loadings on those policies plus the present worth of the assumed mortality gains according to the select and ultimate of valuation, and limits the renewal commission to agents to a certain percentage of the gross premiums for a certain number of years. Though the compensation to agents depends on the loadings, the size of which is not fixed by law, yet the effect of competition will probably be to prevent substantial increase in loadings. The effect of this law, therefore, must be either to limit arbitrarily agent's remuneration, or to increase the cost of insurance.

The New York law rests on the theory that older policies ought not to be charged any of the expenses of getting new ones, but as the accretion of new and healthy risks through their surplus vitality creates a surplus of money, it is fair that the older policyholders who share in the benefit should share in the burden. The decision how much should be paid for "new blood" is a matter of administration which ought to be left with the directors, not assumed by the State. * * *

The zeal of lawmakers to get the better of business instead of helping it has reached its culmination in the present craze for standard forms of life policies. It is well enough to provide by law that all policies must contain certain standard provisions and that no policies shall contain certain objectionable restrictions, but the iron-clad form, unchangeable except by more legislation, has nothing to commend it but the mistaken notion that a man ought to be encouraged to make an important contract without reading it. Indeed, it works positive harm in barring the variation which many of us who take policies want, and in preventing improvements such as competition has brought about and if let alone will bring about in the future. The history of twenty years of policies shows steady progress in liberality to the insured. But requiring a company desiring improvement to serve notice of a proposed change upon all the other companies to the end that if approved by the Insurance Superintendent the change shall be imposed upon all the other companies must effectually cut off hope of improvement. * * *

The interferences of which I have spoken are merely wantonly impertinent; they are not dangerous. But I view with alarm the tendency to require companies annually to distribute all except a small part of the surplus, or to limit the safety fund according to a sliding scale, which is arbitrary and unscientific. What would be thought of a business corporation which by vote of its stockholders required its directors to declare dividends of all surplus above two per cent of its liabilities? The undivided surplus ought to be elastic in the discretion of the directors. A surplus which the company must account for to its policyholders cannot be a source of danger, but must be a source of strength, and if any corporation needs to be strong above rumor or suspicion of insolvency that corporation is a life insurance company. If the law is to deal with surplus at all, aside from making the company accountable for it, the law should either compel the accumulation of sufficient surplus, to prevent headlong competition in annual dividends, or permit a sum equivalent to a decent proportion of the reserve to be held as a safety fund. Yet I have seen the proposition seriously made by an Insurance Commissioner and embodied in a bill, to require every company to distribute every year all its surplus, and when an actuary and a lawyer modestly pointed out the calamity lying in wait for the policyholders of a company whose directors might obey such a law, an Insurance Commissioner said, "What is this country coming to if actuaries and insurance lawyers are to make our insurance laws!" * * *

Much of the popular discontent with life insurance is due to the needy agent who will say anything to sell a policy. Laws directed against false estimates will not accomplish much. The remedy lies with your associations. It is your opportunity. While the States are passing elaborate acts, which beat around the point, your organizations can do much to purify the business. Just as a bar association of lawyers is watching to oust from practice unworthy members of their profession, so you may bring to the Insurance Commissioners, having power to withhold agents' licenses, information of the transgressions of insurance shysters. Individual complaints may be ascribed to personal feeling, but the considered action of a life underwriters' association will be treated with respect. In making your calling a profession, I wish you success.

PROBLEMS OF INSURANCE LAW.

E. E. Rhodes, mathematician for the Mutual Benefit of Newark, handled the above topic in an able manner. Among other things, he said:

Life insurance, as a business, finds its justification in that it meets, as nothing else yet devised does, a universal need. The complexity of modern life, which makes one member of a family the producer for all, and, consequently, the mainstay of all, is responsible for the introduction and development of the business. This same complexity, ever increasing, will also require, until some better scheme is found for accomplishing the same purpose, the continuance of the institution. Life insurance will endure, and because of its necessity and its intrinsic value, will find its scope constantly expanding. Like all other agencies for good, it has been abused by those who have been charged with its development and conservation.

We are in an era of reform. Real reform, proposed by men who, with a clear understanding of the subject, act solely in the public interest, is alone worthy of consideration. That reform which has nothing but the label to commend it, proposed by honest but uninformed men, or by men with ulterior motives, should be disregarded. * * *

The policy of the State is seemingly being reversed. Hitherto the State has striven to make insurance companies as strong as it was possible to make them, to throw around them safeguards and restrictions by which their resources could be husbanded. Now, surplus reserves to meet unforeseen contingencies are limited; the annual distribution of surplus is enforced upon all companies alike, and the law tempts companies to distribute more than they should; the system of net valuations is supplanted by a form of gross valuation; an arbitrary limit of expense is fixed for all companies alike, regardless of the character of their business; expenses are not only limited by statute, but the manner in which they shall be incurred is prescribed, and the form and phraseology of the policy contract appears in the law. * * *

Yielding to none in my advocacy of annual dividends, I at the same time recognize the desirability of permitting at least young and weak companies to make distributions of surplus less frequently than annually, and also the desirability of a deferred dividend period for certain classes of sub-standard risks. I would provide that a company deferring surplus distributions on any of its policies should publish separate schedules of such policies for each dividend period showing those in force at the beginning of the year, those issued and terminated during the year, with the mode of termination, and those in force at the end of the year. I would also require a separate schedule showing the deferred dividend fund at the beginning of the year, the accretions during the year and the sources thereof, the payments from the fund during the year and the fund as it stands at the end of the year. * * *

Companies differ so widely in age, in standing, and in the character of their business, that I do not believe it is practicable to prescribe a general rule for limiting expenses. Neither do I believe such a rule will necessarily result in economy.

Perhaps no proposition has met with more favor on the part of those without practical knowledge of the business, than the idea of statutory forms of policies. Certainly, no other proposition has less to commend it. Any law, prescribing a standard form of policy contract, would have to be drawn upon lines which would meet the necessities of the smaller and weaker companies, as otherwise such companies would be forced out of business. This result would be unfortunate, as it would concentrate more than at present the insurance business of the country in the hands of a small number of companies. On the other hand, if a contract which came within the abilities of the smaller and weaker companies to perform should be prescribed, the insuring public would be deprived of the greater liberality which they are now able to secure in the policies of other companies. This again, as I view it, would be against public policy. * * *

It is said that if life insurance policies were uniform the public could easily determine the comparative merits of the different companies by comparing the cost. To make this argument of any weight there must be iron-clad uniformity in premium rates and in all the benefits and conditions. The most violent extremist has not proposed such uniformity. The cost of insurance could be reduced by eliminating from contracts some of the privileges now found therein, but I venture to think, and believe it can be demonstrated, that a large part of the insuring public would prefer to pay a trifle more for the present contracts of many companies than they would pay for one less liberal. There are many men who want the best in life insurance, as well as in other things, and who are willing to pay for it. The point I am trying to make is that if a company should issue two contracts, one less liberal and costing less than the other, the insuring public would, in large measure, prefer the more liberal one at a somewhat higher cost. * * *

In my opinion the best feature of the Armstrong law is the requirement for publicity. In this respect the law might well have gone even further than it does. In fact, I believe that the value of the work of the Armstrong committee is found more in the public revelation it made than in the laws it recommended. It may be said that advocates of publicity are not always sincere; but this does not affect my belief that it is the best possible legal remedy for existing evils. Instances might be cited where even the partial publicity occasioned by the form of return hitherto required of companies has led to the disclosure and remedy of wrong conditions. There should be a thorough examination of the affairs of every company at intervals of five, or, possibly, three, years. The examinations now made usually go no further than a verification of the last annual statement. They should include an investigation of financial methods and a scrutiny of the plans of insurance. Any evidence of wrongdoing in the former, or failure to observe correct principles in the latter, should be at once made public. * * *

The International Insurance Encyclopedia.

The gap which had been left since 1876 in insurance literature by the state of incompleteness of Cornelius Walford's Insurance Cyclopædia, of which only five volumes, reaching to *Ha*, had been published, will, let us hope, soon be filled by The International Insurance Encyclopedia. This ambitious plan was launched last January by Dr. Isidor Singer and having been encouraged by the moral support of some of the most eminent representatives of insurance, here and abroad, the originator surrounded himself with an editorial board and advisory board whose names guarantee scientific thoroughness and absolute impartiality. Here are some of them: Ex-President Grover Cleveland; Joseph DeBoer, president National Life of Vermont; Hon. Paul Morton, president of the Equitable Life Assurance Society; John M. Holcombe, president Phoenix Mutual Life Insurance Company; United States Senator John F. Dryden,

president of the Prudential Insurance Company; S. C. Duham, president of the Travelers Insurance Company; Eldridge G. Snow, president of the Home Insurance Company, and numerous others, including Frauk B. Wyatt, president of the Institute of Actuaries.

Professor Alfred Manes, the scholarly secretary general of the "Deutschen Verein fuer Versicherungs-Wissenschaft," is in charge of the European bureau concentrating the material concerning the old world and forwarding it with his O. K. to New York headquarters. More than 100 of the most eminent writers on insurance, American and foreign, have already now declared their willingness to be enlisted on the regular staff of contributors.

The editorial board consists of well-known insurance men whose reputation as writers upon the subject of insurance is world-wide. They represent nearly every foreign country, as well as the United States.

In addition many gentlemen, prominent in insurance matters, have consented to furnish contributions upon special subjects for the encyclopedia.

It is very gratifying to note, and it shows how deeply the insurance idea has penetrated the lay mind, that a man not belonging to insurance circles proper, and who has no other connection with insurance than to be the heaviest insured man on Long Island, Ralph Lelninger, president of the Kingston Realty Company, Brooklyn, should have made up his mind to back the enterprise financially. He has placed himself, to this purpose, at the head of the International Insurance Encyclopedia Company (capital, \$250,000; incorporated according to the laws of the State of New York), and we may, therefore, by the end of 1909, expect to see the great plan of the famous English barrister, Cornelius Walford, carried to its successful completion on this side of the water, mainly through the energy and sacrifice of two men, the one of German, the other of Dutch stock, thus embodying in their very persons the international character of the work. This latter will number six volumes of 700 pages each, adorned by about 600 illustrations and will include, in alphabetical order, about 12,000 topics, treating of all branches of insurance throughout the world, in past and present times from the actuarial, economical, historical, legal, medical and technical standpoints.

Fall Meeting of Actuarial Society of America.

On Thursday and Friday last, some fifty members of the Actuarial Society of America gathered at Hartford for the regular semi-annual meeting. The meetings were held in the board room of the Connecticut Mutual Life, whose actuary, D. H. Wells, is president of the society. Papers were presented by Rufus W. Weeks of the New York Life on "A practical rule for calculating annual dividends"; by R. G. Hunter of the Equitable on "A review of the mortality among insured in certain occupations in England and America"; by Arthur Hunter of the New York Life on "Practical application of the piecework system in life insurance offices," and by H. N. Sheppard of the Home Life on "Notes on the select and ultimate method."

At this meeting E. E. Rhodes, mathematician of the Mutual Benefit Life, was unanimously elected a fellow of the society. Mr. Rhodes was one of the most forceful speakers before the Armstrong committee at the hearing given in Albany last winter, and in speaking of his services in this connection at the annual meeting of the society last May the then president, Rufus W. Weeks, said: "It is fitting that this society should express its cordial regard for Mr. Rhodes in any manner within its power. Any honor which we may do to him will reflect equal honor upon ourselves, and any advantage which it might be to him to become formally one of our fraternity would be less than the advantage we should secure through his fellowship."

Life Insurance Developments of the Week.

On October 16, President Peabody of the Mutual Life appeared before Commissioner of Insurance Prewitt of Kentucky to comply with the latter's request for an explanation of the reasons which led up to the dismissal of Colonel Biscoe Hindman of Louisville, who was general manager for the company in Kentucky and Tennessee. From the witness stand President Peabody replied to the charges of coercion of agents and their removal because of non-support of the administration ticket. He said that the company had advised its agents to support the administration ticket. In reply to a direct question as to the cause of removal of Colonel Hindman Mr. Peabody said:

Mr. Hindman could not properly discharge the duties of soliciting and representing the company, while he was openly and avowedly attacking its administration. Mr. Peabody then went into detail as to the various telegraphic correspondence, and a conference held with Mr. Hindman, in which he advised him (Hindman) that if he persisted in his opposi-

tion to the administration ticket and in the support of the independent ticket he would forfeit his connection with the company, which he did. He read the rules adopted, and said of the eighty or ninety general managers, all but five had remained loyal to the administration. He could not coerce Mr. Hindman if he had tried.

The usual number of charges and countercharges have been made during the week. In the meantime the fact that the election actually commenced on October 18 has occasioned increased activity among the warring factions in all parts of the country.

Last Saturday, Samuel Untermeyer returned from Europe and immediately issued a lengthy statement regarding the election, in which a number of persons come in for a share of his criticism.

George V. Forman of Buffalo, who carries \$400,000 in the Mutual Life, has come out for the united committee ticket.

On Tuesday, Samuel Untermeyer, as general counsel for the International Policyholders Committee, went before Justice Bischoff in the Supreme Court and obtained an order requiring the New York Life and twenty-one of its directors, as individuals, to show cause why they should not be restrained from carrying on their campaign for the election of trustees at the policyholders' expense. The order is returnable on Friday.

The Prudential's Forward Movement.

A GREAT WESTERN WEEK.

Following the special week's work in New Jersey, New York, Pennsylvania and New England, the staffs of the Prudential in the Western States had their innings, and right merrily they played. During the week ending October 13, the handsome amount of \$5,655,000 new ordinary business was turned in from the States of Ohio, Indiana, Illinois, Minnesota, Wisconsin, Iowa, Missouri, Nebraska, Kansas, Kentucky, Colorado and the coast States. Some splendid individual records were made by both ordinary and industrial districts. Eight of the latter and two of the former reported more than \$100,000 each, the largest amount, \$156,750, coming from an industrial staff. Taking all the districts together throughout the country gives a total of \$15,500,000 new ordinary business written in a single week, with the Southern States yet to be heard from. Such magnificent work speaks volumes for the capabilities and enthusiasm of Prudential field men and will serve as an inspiration to them to continue the good work all through the winter months. Apart from this, such results are beneficial to the life insurance field at large, for every agent may take courage and go at his work with renewed faith in the old motto, "what man has done, man can do."

Health and Mortality of Cotton Mill Operatives.

In response to inquiries, The Spectator Company announces that it has in stock "The Health and Mortality of the Cotton Mill Operatives of Blackburn, Eng.," by Frederick S. Crum, and will be pleased to communicate with applicants from the insurance world desiring to secure copies of same.

The Canadian Investigation.

Following the examination of the Independent Order of Foresters, which has taken up considerable time, the affairs of the Sun Life were looked into, but the testimony was void of anything of interest.

—The Royal Commission, which is examining life insurance methods in Canada, spent another week on the Independent Order of Foresters, and conducted a number of prominent witnesses through a long series of questions relative to a large number of speculative enterprises.

—S. Ludlow, Jr., speaking before the New York Chapter of the American Institute of Bank Clerks, strongly advocated the establishment of a national pension fund for bank clerks. He declared that bank employees were not paid an amount commensurate with the responsibilities they assumed, and that they were unable to save enough to maintain themselves and families during old age.

—Thomas D. O'Brien, Insurance Commissioner of Minnesota, has forwarded this notice to all leveling premium life companies: "The committee of Insurance Commissioners, preparing uniform laws, will meet at the Palmer House in Chicago on November 12. At its last meeting in Washington the committee voted to have no further public hearing, but that any person interested might submit a written brief upon any of those laws. Any communications can be addressed to me in care of the Palmer House, Chicago, Ill."

—The September record of the Royal Arcanum shows a further loss in membership of 793, making a total of 70,940 since May, 1905, and 19,837 during the current year. There were 406 new members accepted and 87 reinstated. The deaths for the month numbered 217, and 1,069 were suspended. A further contribution to the emergency fund of \$265,000 was made, bringing that fund up to \$2,501,488, no less than \$665,000 having been added this year, exclusive of interest. The order paid death claims during the month amounting to \$440,715, and has outstanding claims of \$921,407, an increase of \$107,857 for the month.

Casualty, Surety and Miscellaneous

Board of Casualty and Surety Underwriters.

The second day's session of the Board of Casualty and Surety Underwriters, on Wednesday of last week, was characterized by a harmony of feeling that insured complete approval of the reports submitted. Wm. Bro Smith read a report of the committee on departmental examinations and exactions which was very complete in its statements, and a part of which is as follows:

Few of the Insurance Departments are so equipped as to be able to conduct an examination of one of the large insurance companies and in quite a number of the States the Departments would find it difficult to make a proper examination of even the smallest of the companies. To be effective, either as a deterrent to wrongdoers, or as protection to the policyholder, an examination must be made by men in a manner and under conditions which will insure confidence and compel respect. We recognize that it may be difficult in view of the nature of our Union and of the sovereign powers reserved to each of the States, to lay down a rule which will be altogether satisfactory. Nevertheless this inquisitorial power may be amply confirmed and enforced, yet restricted so as to prevent injustice without wounding State pride in the way which is set forth in the draft of the model law approved by the executive committee of the Board of Casualty and Surety Underwriters. * * *

We need not discuss the duty of insurance companies to bear their share of the burdens of the State in return for the privileges afforded and we may concede that the cost of regulation, unless adequately provided for by taxation, should be met by the companies in proportion to benefits derived, but the taxation should be just and fair in the one case and the charges for the administration of the Insurance Departments compensatory only, and the latter should not cover a profit or other tax for other governmental uses. Furthermore, these charges should accord with the service of labor which they purport to represent, and the cost of the work upon which the charge is based, and, as we have already stated, these charges should be uniform. Anyone who will take the trouble to tabulate the fees for filing charters, annual statements and other documents for valuations, company licenses, agents certificates, etc., will find ample confirmation for our criticism in this regard.

The report of the committee on "Policy form not a proper subject for legislation" was read by George F. Seward. Its conclusions were as follows:

It may be said that the freedom to draft contracts suited to public demands and guarded carefully in view of experience and of the decisions of the courts is a privilege that should not be surrendered without grave consideration. Insurance Departments are not always considerate. They cannot be, because they are not always well informed. Legislative bodies are often moved by those who present plausible grounds. The tendency of the Departments and of the legislatures to-day is to aggrandize their importance and to widen their spheres of action. To educate the one or the other to the idea that policy contracts are proper subjects for legislation; that insurance is a business different from any other private business, and that it needs control that is not applied to any other interest so far as the making of contract forms is concerned would be to extend paternalistic ideas, and to create not one, but many straight jackets for the business. No one, in the opinion of our committee, ought to wish to see legislative and administrative control invade the proper sphere of private initiative and administration. Again, it may be said that while standard forms might limit some of the absurdities of competition, they would, on the other hand, extend competition in harmful directions. If standard forms were made, competition would be all the more severe as to rates, and if forms and rates were determined by law the competition as to commissions would become all the more rank. Your committee submits the following resolution:

Resolved, First, that this body cannot by reason of its constitution undertake to promote the making of standard policy forms for the several casualty and surety branches of insurance,

Second, That if it could do so under its constitution it would be unwise to promote the purpose.

On the report being opened for discussion there was objection made to the first part of the resolution, and it was voted down, the report being then approved as amended.

That portion of the report of the executive committee relating to the draft of the model law was next taken up and approved without a dissenting voice. Mr. Lott then moved the following resolution which was adopted:

Resolved, That the executive committee of this board be and hereby is authorized and requested to endeavor to secure the co-operation of life underwriters, fire underwriters, and such other underwriters as may be interested in a model insurance law, for the purpose of promoting the adoption by Congress, of the model insurance law prepared by the executive committee of this board for the District of Columbia, with power to appoint sub-committees from this board to act in its place and stead, such sub-committees to meet at such times and places as they may deem expedient.

The board next proceeded to the election of officers and the report of the nominating committee being unanimously accepted, there was one ballot cast for the following ticket: President, S. C. Dunham of the Travelers; vice-president, F. B. Allen of the Hartford Steam Boiler; secretary, David W. Armstrong, Jr., of the National Surety; treasurer, William T. Woods of the Lloyds Plate Glass; executive committee,

George F. Seward, Fidelity and Casualty; William F. Moore, New Amsterdam; Thomas A. Whelan, Fidelity and Deposit; H. G. B. Alexander, Continental Casualty, and Edson S. Lott of the United States Casualty. President Dunham was called to the chair and thanked the board for the honor conferred. A vote of thanks was passed to the retiring officers and executive committee for their efficient services. The only new applicant for admission at this session of the board was the United Surety of Baltimore, which company was unanimously elected. A committee on accessions to membership was appointed, with F. J. Moore as chairman, and before the next meeting there will probably be a large increase in the membership, which now numbers thirty-eight. The annual meeting was concluded with a banquet Wednesday evening which was entirely informal and enjoyed by some fifty-six representatives and their guests.

Options Under Liability Contracts.

In the development of policy forms in the various branches of insurance, with the incentive of competition to stimulate managers to present the most attractive features, there is likely to be more or less contention as to the value of certain provisions. At the same time, however, different managers may vary in opinion as to the advantages to be derived by the inclusion of new features in a supposedly settled form of contract, there seldom arises a case where the motives of the innovator need necessarily be impugned. Very often a misunderstanding arises through an improper name being attached to a policy after a hurried reading of the form by a competing manager, and, as is well known, a bad name once applied is an exceedingly difficult incumbrance to remove.

A company that has suffered to some extent from this hasty nomenclature of late is the Ocean Accident and Guarantee Corporation, whose liability policy has been erroneously dubbed the "eighty per cent policy." The natural inference from such a title would be that the corporation contracts to pay but eighty per cent of any claim made under the contract, making the insured a co-insurer to the extent of twenty per cent of the limits agreed upon. Such a contract is common with fire insurance companies, and was at one time slightly favored among liability companies, but is entirely a misnomer so far as present contracts are concerned.

In the liability policy of the Ocean Accident now issued, when an employee is injured the insured has a choice of the following options: He may leave the settlement entirely to the insuring company as under the policies issued by the other casualty companies, or he may pay the injured employee his wages up to a period of twenty-six weeks. In the latter event the Ocean will, upon receipt of a proper release, reimburse him to the extent of eighty per cent of his outlay. That is a special agreement and does not interfere in any way with the right of the assured to leave the entire matter to the company. Another special agreement permits the insured, if he chooses, to pay medical, surgical, ambulance and funeral expenses and the corporation will reimburse him eighty per cent of his outlay up to \$100. That is also a special agreement. If the insured prefers to make himself liable for first aid only he may, of course, have his policy provide that the Ocean will pay in full the charge for first surgical aid. It will be noticed that these agreements are not forced upon the insured, but may be utilized at his option, their purpose being to assist in effecting speedy settlements for injuries, where the influence of the employer is sufficient to cause the injured person or relatives to heed his advice rather than that of that class of men who exaggerate all claims for injuries for what there is in it for themselves.

The Ocean Accident is having a satisfactory experience under this form with its clients, and United States Manager Oscar Ising believes that it will aid materially in the long run in reducing the number of comparatively small suits for damages which liability companies are continually being called upon to defend.

Employers' Liability Act.

Attorney-General Moody had a conference with President Roosevelt last week regarding a plan to determine the constitutionality of the employers' liability act, which was passed by Congress last session. Mr. Moody had heard that effort was to be made to have the act declared unconstitutional. The law is intended to afford a remedy to all employees of interstate railroads for death or injury incurred in their service through the negligence of such railroads or any of their employees. It is Mr. Moody's intention to ask leave of the court in which the first case under this law is tried to intervene, not upon questions of facts, but for the purpose of supporting the constitutionality, the validity and interpretation of the law. Such intervention finds precedent in the leave given by the Supreme Court to the Department of Justice to intervene

in a private case arising under the safety appliance law. Under this intervention, in the case of Johnson against the Southern Pacific Company, the judgments of the Circuit Court and the Circuit Court of Appeals were reversed and the law plainly interpreted and made effective by the judgment of the Supreme Court. The plan of intervention has the approval of the President.

The Adequacy of Fidelity Premiums.

At the present time, when the question of proper reserves for fidelity and surety risks is being ventilated, we can turn with interest to the proceedings at the recent convention at St. Louis of the American Bankers Association. Here the statement is credited to the president of a large surety company to the effect that "this company averaged one bank embezzlement case a month for the past twenty-two years." Accepting this as true, we are justified in the conclusion, from the language adopted, that the business itself has been the same as far as losses are concerned for that period of time. It might not be impertinent to inquire of this same president what rate of premium has been obtained by his company for the fidelity of bank clerks, and, whether in view of his experience, there has been any justification for the gradual reductions of this rate during the period by fully one-half.

Turning from the proceedings at St. Louis, we find quite a different view from the pen of Philip Loring Allen in *The Outlook*, claiming that the public conscience has been awakened by the recent moral wave to such an extent that the actual average of honesty has risen perceptibly. Mr. Allen quotes from the amount at risk on fidelity bonds in 1896 to 1905, but two of these only are necessary for our purpose:

	Risks.	Losses.	Losses per \$100,000.
1896	\$282,082,211	\$393,349	139
1905	1,216,970,451	1,380,157	110

Mr. Allen's deduction that the relative improvement in honesty in ten years is represented by 139 to 110 is hardly warranted by the figures. The amount at risk is not the same risk in 1905 as in 1896, but a hazard where the chance of loss is much less, and where, therefore, a comparison is impossible.

We therefore come back to the position suggested by Mr. Joyce in his paper on the subject of "Proper Reserves for Fidelity Claims," which should be figured not upon the premium, but upon the amount at risk.

At the same time we feel the importance, in view of the constant reminder on the subject, of insisting that if banks desire to be protected adequately against embezzlement and larceny, they must commence at the president and include all the employees. It may be difficult to secure a bond large enough for the president, but there is no doubt of its being required to protect the bank and the public.

Casualty Notes.

—A. J. Hunter of Baltimore, manager for the *Ætna Indemnity* in Maryland, was in town last week.

—A. T. DeMaree has succeeded Chas. H. Gore as manager of the *Preferred Accident's* St. Louis branch.

—The new *Federal Casualty* of Detroit is now qualified in ten States and has its application pending in New York.

—The *Universal Indemnity Company* of Syracuse, N. Y., is about to be absorbed by the *Federal Casualty Company* of Detroit.

—The *National Casualty Company* of Detroit has appointed H. W. Cory manager for its Eastern department. He is located at 150 Nassau street, New York.

—The *Casualty of America* has just secured a portion of the boiler line of the *Schwarzchild & Sulzberger Packing Company*, and the boiler line of the *Metropolitan Street Railway Company* and its affiliated companies.

—The *Bank Depositors Insurance Company of America* is completing its organization in Washington, and expects to begin business very soon. Pennsylvania, Ohio, Illinois and Massachusetts will be the first States to be entered.

—The *Metropolitan Surety* is calling attention to its burglary policy which limits the loss on any one article to twenty per cent of the face value of the policy. This policy costs only \$10 a year a thousand, or \$25 a thousand for a three-year policy.

—Another instance has just been afforded where it would have been well for a physician to have had a physicians' liability policy. Suit has been brought at Norristown, Pa., against Dr. Ellwood Corson for \$1000 by Patrick Naylor, who alleges that his wife fell and fractured

her arm. Dr. Corson was consulted, and, it is charged, said there was no fracture, and treated the arm accordingly. Mrs. Naylor's hand is now badly deformed, and she may never have the proper use of it.

—Parker S. Johnson of Cincinnati, Ohio, manager of the Aetna Indemnity's fidelity and surety departments in Southern Ohio, and Charles J. Heckle, of Cincinnati, general agent for the plate glass and burglary departments in the same territory, were in town last week.

—New rules as to elevators will soon be put into force in Philadelphia. Competent elevator mechanics must be employed; all elevators must have interlocking devices which will prevent a car from moving so long as a door or gate is open; all accidents must be reported, and after an accident the elevator must not be used until it has been thoroughly inspected. Persons under sixteen years old must not be employed to run elevators, and elevators, except of the plunger type, must be provided with an approved air-cushion device. A rigid enforcement is promised.

—The Mercantile Insurance Agency of St. Louis has appointed Carl A. Niederlander as manager of the plate glass and burglary department. Mr. Niederlander has been connected with the Fidelity and Casualty Company for several years as manager of the local plate glass department and has been engaged in the insurance business in the local field for the past ten years. This agency has also appointed Frank W. Pennebaker as manager of the bonding department. Mr. Pennebaker was formerly local manager of the Metropolitan Surety and has had ample experience in this line of underwriting.

—The North American Accident of Chicago has secured the sole rights for the next ten years to use the accident insurance vending machine, the invention of Wm. Jackson, of Norfolk, Va., of the Southern Savings Life and Accident Insurance Company. By depositing twenty-five cents in the slot, a policy for \$2500 principal sum, and \$12.50 per week, or double for death by train accident, good for a day is issued. Advance orders for the machines are more than can be supplied. It is being manufactured in Chicago. The North American has just been examined by the Illinois Department and found in a highly satisfactory condition.

—The National Association of Casualty and Surety Agents completed a permanent organization at Indianapolis last week. A constitution and by-laws patterned closely after that of the National Association of Local Fire Insurance Agents was adopted and the following officers were elected: President, H. M. Coudrey, St. Louis; vice-president, R. F. Manly, Birmingham; C. H. Hood, Minneapolis; E. E. Shipley, Cincinnati; secretary, Thomas S. Dugan, Louisville; treasurer, E. Van Tuyl, Bay City, Michigan. Chairmen of Committees: Executive, George Webb, Chicago; State organization, Leslie H. Webb, Cleveland; grievance, George H. Russell, Milwaukee; legislative, B. E. Watson, Syracuse, N. Y.

—Sometimes in liability insurance as in other lines of underwriting, a very dangerous risk appears most attractive to the inexperienced eye. Some candy factories are so constituted. In a well-known establishment in New York, which is a large contributor to the sweetening of the nation, the visitor is impressed with the absolute cleanliness and perfect order which prevails. To the casual observer this is a fine risk, but upon investigation it is found that every process of the many through which a piece of high-priced confectionery passes in this establishment, some form of machinery is used. Any operative discovered in the act of touching the product is subjected to some form of punishment. This all makes the risk from a liability standpoint a very hazardous one and also accounts for the twenty or thirty cents additional charge made on each pound of confectionery which the consumer pays for cultivating a sweet tooth. In another factory which makes no particular claim upon the best class of trade, the liability underwriter is confronted by very different conditions. Instead of an array of female help in clean surroundings, with clean hands and neat clothing, one finds an old-fashioned building, not any too clean, an inferior looking class of help, a lack of order or system in the methods and instead of numberless forms of mechanical device for handling the product in every stage of manufacture, everybody is seen using the tools which nature gave them and they plunge their hands and arms into the various mixtures and whether the particular dainty they are making is dabbled, dropped, sprinkled, squirted or spun, the process involves some sort of hand work. The place does not impress the visitor very favorably, but the liability rate on it is about one-quarter that on the orderly place with its improved methods.

Surety Notes.

—R. R. Gilkey, attorney for the American Surety Company at Chicago, is acting as manager, filling the place of the late Daniel T. Hunt.

—It was recently reported that the Empire State Surety had terminated its contract with Davis & Hinig of Cleveland. Matters have been so ad-

justed that this firm will remain with the Empire under a new contract materially increasing its territory.

—The American Bonding of Baltimore has appointed Theis Brothers of Wilkesbarre, Pa., general agents for eight counties in Northeastern Pennsylvania.

—R. C. Carson has been elected secretary of the American Bonding Company. Mr. Carson has for many years been manager of the Baltimore office of the Bradstreet Company.

—The Metropolitan Surety has opened a mountain department with F. W. Standart, president of the Brannen-Standart Insurance Agency of Denver, which will control a number of Western States.

—James H. Gunther, a clerk in the employ of the Bergen & Lafayette Trust Company of Jersey City, who is alleged to have disappeared with \$11,000 to \$12,000, was bonded in the American Bonding Company.

—The Keystone Bonding has appointed Curtin & Brockie of Philadelphia its sub-agents in that city. This well-known firm will conduct a vigorous campaign among fire and casualty agents who have not hitherto paid much attention to surety lines.

—David C. Beggs of Columbus, Ohio, has brought suit against the National Concrete Fireproofing Company of Cleveland and the Federal Union Surety for \$12,500, claiming that the fireproofing company did not do its work on his new business building according to contract. The Federal Union is on the bond of the company.

—The United States Fidelity and Guaranty is endeavoring to write the bonds of \$500 each on conductors and motormen of the local street-car line in New Haven, Conn. The local union and aid association of the men has objected to certain clauses in the contract proposed by the bonding company and it has therefore been impossible to put the deal through.

—James G. Brown, manager of the Federal Union Surety at Cincinnati, stated a few days ago that the company would complete the sewer in Norwood, a suburb of Cincinnati, that had been commenced by Castoe & Warner, whose contract had been guaranteed. The company will either employ men to complete the work or receive bids from other contractors for it.

—Illustrative of the troubles of the surety man; a prominent company having a branch in New York controlled a big line in this city and the customer wanted an additional bond in excess of the company's collateral. The local managers considered that they had all they could carry and the matter was reported to the home office with the request that reinsurance be arranged for or another company be gotten to go on a portion of the bond. The proposition was taken up with another company by the home office of the first company on the bond, and for some time nothing definite was done, the second company reporting that it had taken the matter up direct with its New York office. The concern applying for the bonds next heard from a representative of company number two and the supposition was that the representative had been sent by the first company, so familiar was he with the facts in the case. Company number two wrote the whole bond of about \$70,000 at a lower rate than the other company and without collateral.

Acknowledgments.

—The proceedings of the Fire Insurance Society of Philadelphia from May, 1905, to April, 1906.

—"Investments of Canadian Life Offices," a paper by T. Bradshaw, F. I. A., read before the Insurance Institute of Toronto.

—Bound volume LVII. of The Standard, containing issues of that publication from July 1, 1905, to December 30, 1905, inclusive.

—Part IV. of the New York insurance report, showing the condition of assessment, life and fraternal orders on December 31, 1905.

—Proceedings of the nineteenth convention, International Association of Accident Underwriters, held at Hotel Champlain, July, 1906.

—Ohio insurance report giving a summary of the standing and business transacted December 31, 1905, of all companies, other than life, operating in that State.

—A director of insurance companies, agents and brokers authorized to transact business in the State of Maine, as recorded in the Insurance Department September 1, 1906.

—The annual report of the Commissioner of Insurance of South Dakota, showing the business transacted in that State by all insurance companies for the year ending December 31, 1905.

—The report of the Insurance Commissioners of Vermont, covering the detailed statements of all insurance companies operating in that State, for the year ending December 31, 1905.

—The thirty-sixth annual report of the Superintendent of Insurance of the State of Kansas, showing the detailed statement of all insurance companies operating in that State as of December 31, 1905.

—Hayden's Annual Encyclopedia of Insurance in the United States, 1905-1906, has been issued by The Insurance Journal Company. It contains nearly 700 pages of information concerning companies, men and events.

—The Insurance Directory and Business of Baltimore City, Washington, D. C., and the States of Maryland, Delaware and West Virginia, for 1906, has been

published by Jas. H. McClellan. It embraces lists of agents and companies operating in the various cities and towns, together with statistical, legal and other information of interest.

—Chapters 44 and 53, Canadian laws, being an act for the incorporation and regulation of joint stock companies and trading corporations and an act to assess, levy and collect taxes on property and income, respectively.

—A. Jarvis, of the literary department of the Fidelity Mutual Life of Philadelphia, has written a very attractive pamphlet dealing with life insurance in general, and treating particularly of the company's elective life policy, which has a very valuable total and permanent disability feature.

—The Insurance Hand Book of the State of Illinois for 1906-1907 has been published by The Rough Notes Company. It presents in clear and convenient form about 500 pages of information concerning the fire, life and miscellaneous insurance companies operating in the State, their condition and officers; the agents in each town, with companies represented, and other data of interest. The book is self-indexing, and is bound in flexible leather.

—The Standard Insurance Directory of New England for 1906 has been issued by The Standard Publishing Company. It comprises 725 pages of valuable information concerning insurance matters in the New England field, embracing lists of licensed companies, with data as to their financial standing; lists of agencies by towns, with names of companies represented in each; brief descriptions of fire departments, etc. There is also an alphabetical list of insurance brokers, with the location of each.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Atlanta-Birmingham Fire Insurance Company, Birmingham, Ala.

The Atlanta-Birmingham makes the following statement of its losses at San Francisco:

Gross amount of direct risks, \$637,143, from which are deducted \$2300, the amount of three policies on which no claim has been made, and \$51,876.01 for salvage already found on the proofs submitted; net liability on direct risks, \$582,966.99.

Total reinsurance on these risks, \$131,000, from which are deducted reinsurance already collected, \$11,500, and the reinsurance proportion of the above-mentioned salvage, \$4,878.92; net amount due for reinsurance, \$114,621.08, deducting which amount from \$582,966.99, leaves the company obligated to the extent of \$468,345.91 on direct risks.

Total amount for which Atlanta-Birmingham reinsured other companies, \$224,226.80, from which are deducted \$11,727.52, already paid, and \$9,625.97 for salvage shown on proofs to date; net amount due to other companies, \$202,873.31.

Net total which Atlanta-Birmingham owes direct and as reinsurer risks, \$671,219.22.

The company's assets and liabilities, aside from the above, on September 30, 1906, are stated as follows: Total assets, \$270,220; total liabilities except capital stock, \$2530; net surplus, \$17,600; capital stock, \$250,000. The San Francisco policyholders of the Atlanta-Birmingham have rejected the company's offer of 25 cents in cash and 50 cents in stock on each dollar of liability.

Birmingham Insurance Company, Pittsburg, Pa.

An examination of this company as of September 30, 1906, by the Pennsylvania Insurance Department, shows assets amounting to \$378,552; capital, \$200,000; liabilities, \$38,394 (including \$36,478 of unearned premiums), and a net surplus of \$140,158.

City Insurance Company, Pittsburg, Pa.

This company was examined by the Pennsylvania Insurance Department as of August 31, 1906. It then had \$183,433 of admitted assets, \$100,000 capital, \$25,617 of liabilities (including \$17,055 of unearned premiums), and a net surplus of \$57,786.

Hearts of Oak Life and General Assurance Company, Ltd., London, England.

This company was organized in 1903 to write ordinary and industrial life, fire, burglary, mortgage, fidelity and plate glass insurance. Its authorized capital is £150,000, of which £121,882 are reported as subscribed and £69,376 as paid in. Its fire business in the year ending June 30, 1905, aggregated £6959 in premiums, and its losses were £3195, the fire fund, exclusive of capital, amounting to £3561. It also received £22,882 of life premiums and £713 for other insurances. Wm. Garland is chairman, and S. R. Whiting, secretary and manager. The company writes surplus lines on American risks through C. P. Wurts of Chicago.

London and Lancashire Fire and Orient Insurance Companies.

The London and Lancashire of Liverpool and the Orient of Hartford had 2940 claims involved at San Francisco, 2679 of which have been settled and paid, amounting to \$8,052,067 for the two companies; the London and Lancashire, \$6,705,137, and the Orient, \$1,346,930. On October 1 261 claims remained unsettled and in the hands of committees. The salvages have averaged about 10 per cent.

Lumbermens Mutual Insurance Company, Mansfield, Ohio.

Semi-annual statement, July 1, 1906: Assets, \$280,426; reinsurance reserve, \$103,278; net surplus, \$172,513.

Michigan Fire and Marine Insurance Company, Detroit.

The 50 per cent assessment (\$200,000) levied upon the stockholders of this company early in the year has been paid in.

National Manufacturers Mutual Insurance Company, Janesville, Wis.

This company, which commenced business June 15, 1906, issued a statement as of September 15, 1906, showing cash assets, \$6103; total liabilities, \$3828; reserve for reinsurance, \$3599; net surplus, \$2275. Its officers are: F. J. Kress, Pittsburg, Pa., president; R. L. Jones, Saginaw, Mich., vice-president, and H. J. Cunningham, Janesville, Wis., secretary.

New State Fire Insurance Company, Oklahoma, Okla.

The bonds and stocks owned by this company, with their respective par and market values, are stated as follows:

	Par Valuc.	Market Value.
Mexican Government bonds.....	\$4,000	\$4,035
Green Cons. Copper, New York.....	3,700	1,060
Cambria Steel, Philadelphia	5,000	3,750
Remington Martin Paper Company, Watertown, N. Y....	12,500	13,125
St. Regis Paper Company, Watertown, N. Y.....	18,900	18,900
Cons. Coal and Mineral Mining Co., New Mexico.....	14,500	15,225
Montana Cons. Copper, Butte.....	20,000	20,000
Arizona Mining and Dev. Company, Naco, Ariz.....	41,000	16,246
Rome, Watertown & Oswego Railway bonds, New York Central, lessee	7,000	7,275
Totals	\$126,600	\$99,616

North German Fire Insurance Company, New York.

This company was examined by the New York Insurance Department as of June 11, 1906. The examination showed an impairment of capital to the extent of \$156,659, which the company has been called upon to make good by November 23 next. The total assets were reported as \$376,423, and the liabilities, aside from capital (\$200,000), were reported as \$333,082, including \$109,935 of unpaid losses other than those growing out of the San Francisco conflagration. The risks involved in the burned portion of San Francisco, less reinsurance thereon, amounted to \$740,311, but the company disclaims liability under a clause undertaking to exempt the company from liability for loss from various causes, including earthquake, "unless fire ensues, and, in that event, for the damage by fire only." The examiner says: "It has not yet, so far as I am aware, undertaken to make any investigation looking toward a separation of damage to property insured by it in San Francisco, as between damage resulting from earthquake and that caused by fire." Concerning the policy form used by the company, which was indorsed as being the "standard fire insurance policy of the States of New York, New Jersey, Connecticut and Rhode Island," the examiner says: "A reference to the form in question will show that this is not the case. It differs materially and in essential particulars from the standard form its title represents it to be." The reinsurance of its risks outside of California in the Cosmopolitan Fire of New York is referred to, and the statement is made that the North German had, at date of the report, paid \$150,000 on account of the reinsurance, to the Cosmopolitan. As to the North German's San Francisco risks involved in the conflagration, the examiner says: "There would seem to be a reasonable doubt as to whether a liability in San Francisco may not exist should this question be brought before the courts for adjudication. I think it is at least an open question whether or not this corporation, under its policy contract covering risks in the destroyed district of San Francisco, may disclaim all liability for loss thereunder."

Old Colony Insurance Company, Boston, Mass.

This company, which commenced business June 8, 1906, with a capital of \$400,000, is operating in the New England States, New York, New Jersey, Pennsylvania, Maryland and the District of Columbia. The officers are: Ransom B. Fuller, president; William R. Hedge, first vice-president; Edmund Winchester, second vice-president; Charles D. Hodges, secretary and treasurer.

Premier Insurance Company, Ltd., London, England.

The above-named company is understood to be writing some surplus line fire risks in the United States. This company was organized in 1903, and writes fire, consequential loss, burglary, sprinkler leakage, fidelity, mortgage and accident insurance. On March 31, 1906, its subscribed capital was stated as £56,420, and that paid up as £7331. Its assets, aside from uncalled capital, aggregated £10,524 (including organization and development expense account, £2484). The liabilities embraced: Capital, £7331; sundry creditors, £2164; balance from revenue account, £1029. There was no specific provision for unearned premiums. F. B. Ritchie is its managing director.

Provincial Fire Insurance Company, Ltd., Bolton, England.

It is understood that this company is writing some surplus line fire risks in the United States. It was organized in 1903 to write fire and burglary insurance, and its subscribed capital is given as £180,000, one-half paid up. In the year ending December 25, 1904, its net premiums amounted to £2630, with losses of £698, and expenses aggregating £1106. Its fire fund, exclusive of capital, was £3458.

Standard Mutual Fire Insurance Company, Markham Village Ontario.

This company, which has written some surplus lines in the United States, is a cash-mutual company, and on January 1, 1906, had a paid-up capital of \$11,820, with \$106,380 of subscribed and uncalled stock, in addition. Its assets, excluding furniture, etc., and subscribed capital, amounted to \$71,795, and its liabilities, aside from capital, were \$5500 for reported losses, and \$56,776 of unearned premiums, a total of \$62,276, thus showing an impairment of the paid-up capital to the extent of \$2301. In 1905 its net premium receipts were \$119,242, and its net loss payments were \$49,344, with management expenses of \$38,510.

State Fire Insurance Company, Liverpool.

To meet the losses of this company in San Francisco, the directors made an assessment upon the shareholders amounting to \$700,000, out of which the company's claims have been paid. The total salvage recovered did not average over 10 per cent.

Washington Fire Insurance Company, Seattle.

Semi-annual statement, July 1, 1906: Cash assets, \$125,685 (stockholders' notes, \$229,895); reinsurance reserve, \$23,333; net cash surplus, \$73,069.

THE SPECTATOR:

THE SPECTATOR, established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.

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No. 18.

FIRE INSURANCE TOPICS RECENTLY DISCUSSED.

THE annual sessions of a number of the more important organizations of fire underwriters have recently been held, including the Western Union, the Fire Underwriters Association of the Northwest, and the National Association of Local Fire Insurance Agents. That a number of the topics discussed are of general interest was indicated by the fact that several of them were treated in two of the conventions. The views of some of the speakers on these interesting subjects are summarized or quoted below.

J. W. G. Cofran, president of The Union, urged the necessity for the gathering of data which would enable the fire insurance companies to ascertain the actual fire cost of the respective classes of risks, and the framing of tariffs based upon such costs.

W. L. King, in addressing the National Association of Local Fire Insurance Agents, strongly indorsed the Dean schedule, claiming that it was scientific, afforded a proper basis for correct rating, and was easily defended by the agent in argument with the insured.

L. S. Amonson urged that the companies owe it to themselves and to the insured to "prepare a system of classification which shall make it possible and practical to tabulate the joint experience of all the companies on every class of risk."

Prior to any advance in rates in the large cities in Union territory, President Cofran held that expenses should be reduced, even on classes regarded as, or known to be, unprofitable. Many companies are now said to be paying as high as 35 per cent commissions on preferred risks in large cities, 25 per cent on non-hazardous business in smaller centers, and 20 per cent on mercantile risks.

Geo. G. Markham of St. Louis, in speaking to the local agents upon the rating problem, said, among other good things:

The insurance business is entitled to be handled as a science on all the data obtainable. The public is entitled to a demonstration of the necessity for the rates. If the great underwriters who decide the course of our business would themselves agree to combine their experience and appoint a capable fire insurance actuary to canvass the figures and indicate to the various existing rating bodies the corrections necessary to make their rates fair between States and between

classes of risks in each State, the movement towards equitable fire insurance rates would be inaugurated beyond power of recall. Afterward substantial changes might be necessary in the rating machinery, because many of these rating units have so long operated to make profit, not to do justice, that they could not adjust themselves to scientific rating. But the detail can be left to work itself out, once joint classification is begun.

For many years THE SPECTATOR has advocated the gathering of statistics showing the experience of all companies with all classes of risks, and from such data the forming of rates adjusted to the actual cost of carrying the risks. The opinion has been expressed that unless the companies voluntarily supplied reports of their experience they would eventually be compelled by law to do so.

That local agents would prefer to see the business conducted upon a more equitable plan is evidenced by the resolution introduced at the Local Agents' convention by C. H. Woodworth, of Buffalo, and the favorable reception accorded to it before it was referred to the resolutions committee, most of the discussion concerning the specification of fixed percentages. The resolution was as follows:

Believing that commissions are higher than necessary in many localities and upon some classes of business, we recommend for the earnest consideration of the companies and agents the proposition of a uniform commission of fifteen per cent flat and fifteen per cent contingent on all classes of business throughout the entire country.

We recognize that this proposed reduction in expense cannot be made effective without a readjustment of rates in many localities, and that the reduction would be unjust to agents without the elimination of the salaried agent or local manager, and as rapidly as practicable the multiple agent.

We appreciate the difficulty of so radical a change in the business, but believe that this or something approximate is feasible and advisable, and that unnecessary delay in the adoption of some such reform will bring upon us by legislative enactment, conditions that will not be for the best interests of all concerned.

Mr. Woodworth asserted, in support of this measure, that "public sentiment has reached the fire insurance business, and, if we do not regulate our affairs, it will step in and regulate them by legislative enactment."

O. E. Johnson of Charleston, S. C., in addressing the local agents upon the commission question, also favored the contingent plan in preference to either flat or graded commissions.

The consensus of opinion of agents seems to favor a reasonable but uniform, rather than a high or a differential commission; and the best agents are gradually coming to desire a moderate flat commission plus a percentage of the agency profit, a plan that was advocated by the late George T. Hope, when president of the Continental, years ago.

Louis S. Amonson of Philadelphia, in addressing the Fire Underwriters Association of the Northwest, showed that the insurance companies were merely collecting and distributing agencies for the insured, and asserted that the business should be operated as economically as possible, and the public should be educated to adopt measures to prevent fires. The classification of risks and elimination of "preferred" risks would help the relations between companies and the insured, by enabling agents to satisfactorily demonstrate the justice of rates. Mr. Amonson also advocated handling losses through general adjustment bureaus, thus saving much labor and expense, and also favored closer co-operation in inspection

work. Both of these improvements would commend themselves to the insured. Mr. Amonson thought that a trade profit of ten per cent would not be regarded as excessive by the public. "Finally," he said, "our ever present thought, our single great purpose and the very keynote through all our operations should be to convince the insuring public of our purpose to give every policy holder a square deal. * * * Truly, the interests of the fire insurance companies and the general public are one."

D. M. Parry of Indianapolis, ex-president of the Manufacturers Association, spoke to the local agents on "The Attitude of the Public Toward Fire Insurance." He did not object to rate-making organizations, properly conducted, and only asked for a "square deal." He held that the companies should refuse to insure poor risks, and looked upon governmental regulation of rates or expenses as impracticable. He regards the fire insurance agent as "a very useful citizen."

Naturally, the San Francisco conflagration and the attending circumstances have come in for considerable attention at all gatherings of underwriters during recent months.

Otto E. Greeley of Minneapolis, who was one of the first outside adjusters to reach San Francisco, told of the conditions as he found them. He placed the property loss by the disaster at \$450,000,000. He held that, in the main, the insurance companies were "as generous in their treatment of the San Francisco claimants as the exigencies of the situation would permit."

W. N. Bament, chief adjuster for the Home of New York, reviewed the progress of the efforts to co-operate in the San Francisco adjustments, and the division of the companies into classes known as "dollar-for-dollar" and "six-bit" companies. He related the methods of adjustment generally followed, which have been heretofore explained in THE SPECTATOR.

U. C. Crosby of New York, before the Fire Underwriters Association of the Northwest, said (in part):

No company is "conflagration-proof." Nearly every one has its weak spot, and in every city a company or companies may meet their "Waterloo." In the metropolis of this country, where most unfavorable conditions exist, with its enormous concentration of values, a conflagration approaching in extent the San Francisco disaster would result in the failure of practically every American and foreign company doing business in this country, seriously involving banking and business interests, and precipitate a financial crisis unprecedented in history.

Mr. Crosby offered a few suggestions looking to the betterment of conditions. In brief, conditions must be realized by underwriters; fires must be prevented from reaching the extent of conflagrations; every bad risk must be considered as endangering all other risks in a congested district; underwriters should systematically study the hazards of each city, regarding the city as one risk, and should enlist underwriters, architects, builders and the public in efforts toward improvement. Among the chief features requiring attention are water supply, vertical openings in buildings; exposure hazards by outside wall openings; and the more important fire preventive means are automatic sprinklers and protection of all openings.

Many other topics of interest to underwriters and the public were discussed at the several conventions, showing the gen-

eral trend of opinions entertained by the practical men who are brought in daily contact with the business men who are the purchasers of insurance. The usefulness of these gatherings of the field underwriters is clearly demonstrated by the careful consideration given to the phases of the business that are continually pressing upon them and the managers of companies.

THE supreme test has been applied to fire underwriting in the United States, and it has not been found wanting. A catastrophe, the like of which was never before experienced by fire insurance institutions, involved the latter in a few hours to the extent of \$175,000,000. Not only this, but the records of both insurer and insured were, in a majority of cases, destroyed, so that it was absolutely impossible to present accurate proofs of loss, or to verify them if presented, in most instances. Notwithstanding the almost insuperable difficulties of the situation, the bulk of the losses have been satisfied within six months after the disaster; few failures of insurance companies have resulted, and residents of San Francisco, the afflicted city, estimate that payments to policyholders have averaged about 90 per cent of the insurance involved. Probably 95 per cent of the insurance losses were borne by about 100 companies—an average of, say, \$1,600,000 each. There are few business interests which could, or would, rise to an emergency requiring such a vast abnormal expenditure, with the alacrity, honesty and generosity which have distinguished the conduct of the fire insurance companies in this trying ordeal. There is little doubt in the minds of those who have carefully studied the conditions, that the insurance companies have paid out to policyholders many millions of dollars for which, if the facts could have been known and proved, they were not legally liable. The companies are deserving of great credit for the fair, not to say liberal, manner in which they have met their obligations, even those which were not subject to proof.

DURING the past year the officers and executive committee of the National Association of Life Underwriters have devoted a large amount of time to the interests of that body, owing to the agitation in life insurance matters which spread throughout the entire country. Their splendid work was fittingly recognized at the convention at St. Louis last week by appreciative resolutions, and their fame will endure so long as the association shall last. While the various legislative matters took considerable of their time, the association movement was not in the least neglected, but, on the contrary, the work of extension was more vigorously prosecuted than ever before. The retiring president, C. W. Scovel, met every demand upon his time and thought with unswerving devotion to the best interests of the association, deeming his most fitting reward to be the approval of the members. His successor, F. W. McMullen, while serving as one of the vice-presidents last year, proved himself a man of ability, and, as the executive head of the National Association, will maintain its prestige in the same way as his predecessors. Robert L. Foreman, the first vice-president for the ensuing year, will prove an able assistant,

as he is an enthusiastic believer in the association movement, while the well-known executive ability possessed by Stephen F. Woodman, the new chairman of the executive committee, will keep that body in the path of progress. The National Association of Life Underwriters has amply demonstrated the reason for its existence, and is to-day the strongest force in the life insurance field for correct and honorable practices.

A MAJORITY of the largest life, fire, casualty and surety insurance companies of the United States are New York corporations, and consequently the Insurance Department of the State of New York occupies a most prominent position as to supervision of insurance companies. The fact, therefore, that its organization is becoming more permanent in the course of years is a source of satisfaction to the insurance companies. When Otto Kelsey was appointed Superintendent in the spring of the current year he accepted the office unpledged, but with the determination to make the Department as effective as possible. He found that the men in responsible positions had been in the office for years, and, after careful investigation, he has found it unnecessary to go outside for men to replace them. Instead, the principle of promoting men for merit has been adhered to, and the Department now has as second deputy, third deputy, chief examiner and actuary men who have been connected with it for from twenty to forty years, all of whom are capable men, well adapted by training and experience for the responsible positions they now hold. Mr. Kelsey is to be congratulated not only on the efficiency of his staff, but also on the fact that he is quick to recognize meritorious service.

LIFE INSURANCE TOPICS

NEW YORK SURVEYS.

Charles H. Eldredge, resident manager of the United States Casualty at Chicago, was in town last week.

J. A. Lassoe, manager of the liability department of the United States Casualty, is making an extended trip through the West.

Second Vice-President Theodore T. Johnson of the Washington Life is now making a tour of the company's Western agencies.

Marvyn Scudder, financial statistician to the Armstrong insurance investigating committee, lectured before the School of Commerce, Accounts and Finance, 32 Waverly place, on Tuesday evening, October 30, on "Features of the New Insurance Laws Regulating Investments on Securities."

NOTES FROM PHILADELPHIA.

Manager Gardner of the Title Guarantee and Trust for Western Pennsylvania has associated with him Edward Ball, formerly secretary of the Pittsburg Surety, under the firm name of Gardner & Ball.

The Pittsburgh Life and Trust has appointed E. N. Johnson director of agents for Eastern Pennsylvania, with headquarters in this city. Mr. Johnson was formerly identified with the Security Trust and Life.

A meeting of the Philadelphia Board of Burglary Underwriters was held in the office of the Fidelity and Casualty on October 23, to hear the reports of committees. The one having in charge the interviewing of representatives of those offices which have not yet signed the compact, reported progress all along the line, and pervading the

meeting there seemed to be a feeling that a strong harmonious compact including practically all offices writing burglary insurance business in this city is more than a probability.

A number of life insurance men have claimed that the offering of stock, or an option on stock of a life insurance company in connection with the solicitation of life insurance, constituted a violation of the anti-rebate law, and the Philadelphia Association of Life Underwriters recently sought the opinion of Insurance Commissioner Martin on the subject. His opinion, however, holds that such a plan is not in violation of the law, and the Philadelphia Life and other local companies similarly organized, or being organized, are therefore relieved of the imputation of legal irregularity.

Two shares of stock of the Provident Life and Trust sold at auction last week at \$782 per share, against last previous sale at \$743.

CONTRIBUTED PAPER.

The Passing of the Net Premium Reserve.

CHARLES J. HARVEY, F. I. A., Consulting Actuary.

It is a patent fact that the net premium standard of valuation had long been a dead letter in its general application when the adoption of the Armstrong recommendations caused its expunction from the statute books—never, in all probability, to make its reappearance as a compulsory measure of reserve.

As its successor, The Select and Ultimate Method, will shortly be invested with full authority of the law, it cannot be too minutely analyzed and the writer therefore submits a few conclusions that are the outcome of considering the problem from a somewhat different point of view to that adopted by its author, Miles M. Dawson.

The method may be said to owe its existence to the circumstance of the mortality in the earliest years of insurance being appreciably lower than the mortality shown by the general mortality table, where the lives are combined without reference to the time they have been insured. This lower rate of mortality is conservatively estimated to be as follows:

1st year,	50%	of the American Experience Table.
2d year,	65%	of the American Experience Table.
3d year,	75%	of the American Experience Table.
4th year,	85%	of the American Experience Table.
5th year,	95%	of the American Experience Table.
Thereafter,	100%	of the American Experience Table.

A select mortality table is then formed for each age at entry in which the above mortality is substituted for the tabular mortality, but as the employment of these select tables in their integrity would increase the reserve instead of diminishing it, the higher premium of the American Experience Table is substituted for the premium of the Select Table, and by this expedient the difficulty overcome.

The line of argument presented by the writer may now be followed by aid of the tables succeeding, in which the age at entry is taken at 35:

AGE 35 AT ENTRY.

AGE ATTAINED.	AMERICAN EXPERIENCE TABLE.			SELECT EXPERIENCE TABLE.		
	Living.	Dying.	Mortality Per 1,000.	Living.	Dying.	Mortality Per 1,000.
35.....	81,822	732	8.95	80,851	362	4.47
36.....	81,090	737	9.09	80,489	476	5.91
37.....	80,353	742	9.23	80,013	554	6.93
38.....	79,611	749	9.41	79,459	635	8.00
39.....	78,862	756	9.59	78,824	718	9.11
40.....	78,106	765	9.79	78,106	765	9.79

AGE 35 AT ENTRY.

SELECT EXPERIENCE TABLE—3%.

X.	D _x	N _x	C _x	M _x
35.....	28,733.10	578,432.95	124.902	11,885.544
36.....	27,771.32	549,699.85	159.452	11,760.642
37.....	26,802.99	521,928.53	180.175	11,601.190
38.....	25,842.14	495,125.54	200.504	11,421.015
39.....	24,888.96	469,283.40	220.108	11,220.511
40.....	23,943.93	444,394.44	227.685	11,000.403

It will be noticed that the figures in the above tables have been so arranged as to leave the whole of the American Experience figures intact after the Select period of 5 years is ended. In computing any value, therefore, we have only to use the Select values for each age at entry in combination with the tabulated values of the American Experience Table to obtain any result that may be desired. Proceeding upon these lines, the annual premiums for various descriptions of insurance have been computed according to the Select Experience and placed side by side with the corresponding premiums of the American Experience with their differences and capitalized differences as follows:

AGE 35 AT ENTRY—3%.

	American Experience Premium.	Select Experience Premium.	Difference.	Capitalized Difference.
Whole Life.....	21.0812	20.5478	.5334	10.74
5-payment Life.....	90.5970	88.6726	1.9244	8.98
10-payment Life.....	49.7252	48.5501	1.1751	10.01
15-payment Life.....	36.3371	35.4499	.8872	10.35
20-payment Life.....	29.8504	29.1103	.7401	10.52
10 year Endowment.....	89.3004	88.2428	1.0576	9.01
15 year Endowment.....	57.4148	56.5734	.8414	9.82
20 year Endowment.....	41.9660	41.2475	.7185	10.21

The capitalized differences in the above table are obtained by multiplying the difference between the two premiums by the value of the select annuity for a term equal to the premium paying period of the policies. Thus, for example, the value of the Select whole life annuity at age 35 will be found to be 20.1312, and multiplying it by .5334, the difference between the two premiums, we get the capitalized difference of \$10.74, as shown by the table. Again, the value by the Select Table of a five-payment annuity at age 35 is 4.6649, and multiplying this value by 1.9244 we get \$8.98 as the capitalized difference in the case of a five-payment life policy, and so on.

These capitalized differences have hitherto been termed capitalized mortality savings, but more properly speaking they are capitalized loadings, and the uncapitalized differences are the annual charges that are made on the loading during the whole of the premium paying period of the policies. The Select and Ultimate Method of valuation, therefore, is a gross premium method not for five years only, as it has been claimed to be, but for as long as the premiums are payable. The term "ultimate" would consequently appear to be superfluous and the method might appropriately be described as "The Restricted Gross Premium Method of Valuation by Select Tables of Mortality," it being understood that the restriction referred to limits the encroachment upon the loading to the capitalized difference between the Select premium and the American Experience premium. An exemplification of the way in which the Select and Ultimate Method operates in this respect is given for a ten-payment life policy as follows:

AGE 35 AT ENTRY.
10-PAYMENT LIFE—3%.

DURATION OF POLICY. (Years.)	Net Premium Reserve by Select Table.	Capitalized Loading Outstanding.	Reserve by Select and Ultimate Tables.
0.....	.00	10.01	—10.01
1.....	45.73	9.14	+36.59
2.....	91.74	8.26	83.48
3.....	138.53	7.34	131.19
4.....	186.19	6.41	179.78
5.....	234.81	5.44	229.37
6.....	284.87	4.43	280.44
7.....	336.78	3.39	333.39
8.....	390.64	2.30	388.34
9.....	446.55	1.18	445.37
10.....	504.59	.00	504.59

It will be seen by this table that the Select and Ultimate reserve is obtained exactly in the way the writer has explained, viz., by deducting the outstanding portion of the capitalized loading from the net reserve of the Select Table. The same principle holds under all classes of insurance, and it is not until the last premium has been paid that the reserve reaches the reserve of the Select Table. The analogy between this method and the Modified Preliminary Term Method explained by the writer in THE SPECTATOR of September 13 last is therefore apparent, for both methods entail an annual charge on the loading during the whole of the premium paying period, no matter how short or protracted that period may be.

This is a circumstance that may exercise considerable influence toward giving the preference to the Modified Preliminary Term Method when a change in the valuation standard is next agitated, for it is not only the more liberal and practicable measure of the two, but it is more compatible with the science of economy in extending the time of repayment over the productive or premium paying period of the policies instead of limiting it, as is done in the case of the Select and Ultimate Method, to a purely arbitrary period which, by reason of an unexpectedly heavy death rate, may often prove to be unworkable and lead to serious consequences.

THE NEW ENGLAND FIELD.

Death of W. O. Robson.

William O. Robson, supreme secretary of the Royal Arcanum since that order was instituted in 1877, died at his home in Wellesley, Mass., Sunday evening, the 28th inst., after two-days' illness. Pneumonia, followed by a complication of diseases, caused death.

Mr. Robson was born in 1843, in the village of Royal Oak, Maryland. He was educated at Easton Academy, and then entered the employ of his father, who was editor of The Easton Star. Coming North, after the war, he settled in Boston and was, for a time, editor of The Boston Post. Later he was connected with the reportorial staff of The Boston Transcript.

His connection with the press of Boston continued until his duties as supreme secretary of the Royal Arcanum demanded all his time. Mr. Robson was one of the nine members who started the Royal Arcanum in Boston in 1877.

—The Aetna Life's October business was ahead of that of October, 1905.

—The Connecticut General reports its writings in September to have been in advance of those of the same month last year.

—Walter C. Wright, the consulting actuary, has enlarged his office in the International Trust building in Boston, and now occupies the entire suite of rooms 75 to 77, and has improved facilities for computing and accounting work.

THE WEST.

Bankers Reserve Life Company.

Publicity is the great corrective for abuses of any nature and is also the surest means of preserving confidence in the stability of any institution, particularly in those of a trust character, such as life insurance companies. President B. H. Robison, of the Bankers Reserve Life Company of Omaha, Neb., follows out this idea in keeping the policyholders of that organization well informed as to its doings and progress. In the annual statement every detail is plainly presented through the medium of a series of concise reports from the several department heads, while a complete financial and business statement is also sent out each quarter. By these means policyholders are enabled to judge of the progress being made and are continually reminded of the security of their contracts. It must be a source of satisfaction to them to note that a steady growth is being experienced both in breadth of operation and financial stability, during a time when many have found nothing but hard words for life insurance generally. The management of the company conforms strictly to conservative methods with a view to maintaining a satisfied body of policyholders and in the territory in which it operates, embracing the prosperous States of the Middle West, it is meeting with a high degree of success.

—The Independent Order of Mutual Aid of Illinois has been absorbed by the American Home Circle.

—C. M. Atherton, formerly of Cedar Rapids, Ia., is organizing the Western Mutual Life Insurance Company.

—The Iowa Life Underwriters Association has passed resolutions indorsing the administration of State Auditor Carroll.

—Frank L. Smart, formerly associated with John H. Dunn, Illinois State manager of the Security Life and Annuity, has retired.

—The Select Knights and Ladies of Kansas City, Kan., is said to be in financial difficulties owing to very heavy death losses in Colorado and Montana.

—The office of the Penn Mutual Life at Atchison, Kan., has been closed temporarily, owing to the alleged shortage in the accounts of its agent, M. H. Carr.

—Elmer H. Dearth, former State Insurance Commissioner of Minnesota, indicted by the Grand Jury charged with accepting a bribe, will not be tried during

the present term of District Court at Minneapolis. His attorney asked for a continuance, and the case will come up for trial at the November term.

—The Loyal Fraternal Home of Hamilton, Mo., has reorganized, and the offices have been moved to Cameron, Mo. The association has adopted the National Fraternal Congress rates.

—Judge Tarrant of Milwaukee has ordered the Equitable Life of New York to produce its books and records so far as they concern the policy of Albert Ellinger of Racine, who is suing the company for returns under a semi-tontine policy for \$15,000.

—The Illinois Life has been in controversy with the State of Kansas for some time over the payment of taxes on the property of the Kansas Mutual Life, which was reinsured by the Illinois Life. The latter company has agreed to a compromise by which it will pay taxes of \$2650 on \$50,000 of securities.

—The Northwestern Mutual Life has made a report of its business for the first nine months of 1906. The assets on September 30 were \$218,166,159, a gain of \$9,647,087 over the first nine months of 1905; insurance in force September 30, \$813,461,128, a gain of \$40,880,384; new insurance written, \$80,437,859, a gain of \$4,900,000.

—The late Dr. Shaw F. Neely, formerly Mayor of Leavenworth, Kan., died recently leaving \$45,000 of life insurance. He died about 11:45 o'clock on the night of July 20, and his policy in the Mutual Life of New York, upon which he had taken advantage of the thirty-day limit, on his last premium, would have expired at midnight.

—The Universal Life, which is being organized at St. Louis to do business without agents by advertising and correspondence, has issued its prospectus. It will have \$150,000 capital and an equal amount of surplus. Justin C. James is to be president, and August Goertz vice-president, secretary and treasurer, both formerly with the Germania Life at St. Louis.

—The Northern Life of Illinois has made its deposit with the Illinois Insurance Department, and will begin business early in November. G. F. Fleck is president; P. C. Madison, vice-president, and L. F. Cole, secretary. Mr. Cole has been the leading spirit in the organization of the company, which will register its policies with the Illinois Department and operate on an annual dividend basis.

—The Supreme Court at Springfield, Ill., has decided that the mortuary funds and all other moneys of fraternal orders are assessable, and should be taxed. Heretofore these funds have been exempt. The court reinforces previous opinions that the legislature cannot and has not the power to exempt from taxation any property which is not exempted in the plain language of the Constitution.

—The Imperial National Insurance Company has been organized in Seattle, Wash., with a capital of \$250,000. The officers are Judge John P. Hoyt, president; J. E. Boyer, secretary; John Schram, treasurer, and Will H. Thompson, general counsel. The company will be operated on the legal reserve basis, but policyholders will be entitled to a certain amount of stock on which the dividend is guaranteed.

—The Security Life and Annuity Company of Chicago now has the following official staff: W. O. Johnson, president; George C. Gale, vice-president; Henry C. Brown, secretary; Henry H. Brown, M. D., medical director; J. Charles Seitz, actuary; O. W. Johnson, treasurer; W. A. Jenkins, comptroller; board of directors, Col. Winfield T. Durbin, W. O. Johnson, George C. Gale, Henry H. Brown (M. D.), Joseph E. Otis, Arthur Dixon, Col. Charles Arthur Carlisle, Col. Newland T. De Pauw, John K. Tener, E. D. Newman, P. A. Myers.

—The Cincinnati Life Underwriters Association has adopted the following rules: "(1) That the general agents who are members of the association shall register with the secretary the names of all persons from whom they accept business, whether such men be members of the association or not. (2) General agents having direct contracts and such men as they shall propose shall be eligible for membership. (3) The association shall fix the maximum brokerage to be paid. (4) Every agent shall agree for himself and for every agent employed by him, and for those registered by him, that he will obey the anti-rebate laws of the State of Ohio."

—Dr. James W. Glover, consulting actuary and professor of mathematics and insurance at the University of Michigan, has been on leave of absence from the university since last April. During this time he has been acting as consulting actuary to the Wisconsin Legislative Insurance Investigating Committee. He also served the Royal Insurance Commission of Canada for some time. Franklin B. Mead, who has been specializing in insurance at the University of Michigan, was recently appointed to a responsible position in the actuarial department of the Minnesota Mutual Life of St. Paul. Virgil Kime has secured a position in the actuarial department of the Michigan Mutual of Detroit, and Miss Dora Payne has a position in the actuarial department of the Pacific Mutual Life, Los Angeles, Cal. The insurance courses were broadened last year by the addition of a seminary in insurance continuing throughout the year. It is in charge of Prof. Glover, and is intended to guide advanced students of insurance along original lines of investigation and research in this subject.

THE SOUTH.

—Commissioner of Insurance Joseph Button of Virginia has ordered the Philadelphia Life to stop selling stock of the company with life insurance.

—Application for a charter for the Conservative Mutual Life and Endowment Company has been filed at Wheeling, W. Va., by the following incorporators:

C. A. Caldwell, Harry Hubbard, L. E. Rex, W. A. Williamson, John J. P. O'Brien, C. E. Peters.

—Pearce, Maddox & Pearce of Atlanta have been appointed managers of the Reliance Life, succeeding Milledge & Baxter, recently dissolved, owing to the death of Mr. Baxter. Mr. Milledge will be associated with the new firm.

—Col. J. D. Powers, president of the Commonwealth Life of Louisville, Ky., who is also connected with many banks and trust companies in Kentucky, was elected first vice-president of the American Bankers Association at its recent annual meeting at St. Louis. The Commonwealth is an old line company, organized under the laws of Kentucky, and has been writing insurance in that State since June 1, 1905. Its officers are careful and conservative business men, and the insurance thus far written by the company shows the confidence reposed in them by the people of their own State. The Commonwealth will probably open one or two new States after January 1.

MISCELLANEOUS LIFE NEWS.

THE NATIONAL ASSOCIATION OF LIFE UNDERWRITERS.

Seventeenth Annual Convention at St. Louis—Amendment to the Constitution—Strong Resolutions Passed—Prize Essay Winners—A Woman Addresses the Convention—Officers and Executive Committee Elected—Annual Banquet—Extracts from Papers and Prize Essays.

The one session of Wednesday, the second day of the convention, was marked by the reading of most excellent papers by E. E. Rhodes of the Mutual Benefit Life, and Frederick H. Nash of Boston. Extracts from these papers were presented in THE SPECTATOR last week. Both were frequently punctuated with applause for the sentiments expressed, and hearty votes of thanks were accorded the authors.

The business end of the session included the appointment of the nominating committee, various announcements and a further consideration of the report of the executive committee. The section referring to the death of Ex-President James L. Johnson, formerly of Springfield, Mass., was approved by a rising silent vote. Considerable discussion arose over the project of establishing a paper for the association to be known as Life Association News, but approval was finally secured. The paper will be under the direction of a committee of five, consisting of the president, secretary, chairman of the executive committee and two others to be elected by the executive committee, and any one member can veto the publication of any article. L. D. Sammis of The New York Commercial will be editor and manager of the paper, under the direction of the committee. The amendment to the constitution relative to company officials and ex-presidents in their official connection with the association went over to a later session.

An adjournment was taken at noon and the afternoon was devoted to sight-seeing, followed by a theater party in the evening.

THURSDAY'S PROCEEDINGS.

The much discussed amendment to the constitution came up for final disposition at the commencement of the morning session and provoked full and animated debate. Many motions and amendments were presented, but in its final shape the amendment stood as follows:

No person may hereafter become an officer, member of the executive committee, or a delegate to the association, unless he be an agent or local manager, or other field worker for a regular legal reserve company, who is clearly identified with an agency, as distinguished from the home office, and unless also he be a member in good standing of a local association belonging to the national body. Any one hereafter becoming such officer, member or delegate, and ceasing to be eligible as aforesaid shall be disqualified for further service in said positions.

That existing ex-presidents shall be qualified for the period of their lives for their position as members of the executive committee and as delegates-at-large and that future ex-presidents shall be eligible as members of the executive committee and as delegates-at-large for a period of three years from and after date of the expiration of their term of office as president.

Any and all provisions of the constitution in conflict with this amendment are hereby repealed. The phraseology of the constitution and by-laws shall be revised under the direction of the executive committee so that the provisions of this amendment shall be included in the various articles and the revised legislation and by-laws shall be reported and recommended by the executive committee at the next annual convention.

On the announcement of the vote, only one association being recorded against the question, H. E. Aldrich, an officer of the Equitable of Iowa, presented his resignation as a member of the executive committee.

Several efforts were made to commit the association in opposition to restrictive legislation, but finally, at the instance of the New York delegation, the following resolutions were adopted:

Whereas, The interests of life insurance agents are identical with the

interests of the policyholders in their respective companies and whatever reforms adopted benefiting the policyholders will operate as well to the ultimate and permanent advantage of the agency workers, now, therefore, be it

Resolved, That this association declares itself in favor of all sound legislation of a character beneficial to the policyholders and places itself on record as believing that the great remedy for and protection against any evils in the business of life insurance lies in the fundamental requirements of full and complete publicity and detailed accountability by the companies, not only to their policyholders but to the public, rather than in governmental interference in dictating to company management how the details of this intricate business must be conducted; and be it further

Resolved, That as hard and fast rules bar the door to originality and progress, this association condemns as contrary to sound principles and practice any existing or proposed legislation which, while leaving the responsibility of management upon the officers of the companies, interferes with the right of contract and takes from them the discretion necessary to conduct the business efficiently.

The annual ceremony of presenting the Calef cup and Williams vase to the writers of the best essays on an assigned topic was then proceeded with. The subject this year was "The relation of the public press to American life insurance," the first prize going to Howard H. Hoyt of the Chicago association. H. D. Neeley of Omaha presented him with the Calef loving cup, and Charles J. Edwards of New York did a similar service with the Williams memorial vase, which went to Charles M. March of the Maine association. Honorable mention was accorded to W. B. Lahr of Cleveland and Wm. H. Reed of St. Louis. The winning essays were then read by their authors.

Mrs. Florence E. Shaal of the New England Women's Underwriters Association was then conducted to the platform and gave an interesting account of the development of the women's departments in connection with life insurance work. Her talk was most warmly received and she was heartily applauded as she left the platform.

At the afternoon session the discussion of the five-minute topics was resumed, P. V. Baldwin of Boston taking the ground that personal arguments were indispensable in procuring business.

President Scovel then had the pleasure of presenting to the convention his father, Professor Sylvester Scovel of Wooster University, Ohio, who spoke from notes on "Life insurance and social duty." The address met with instant approbation at the hands of the delegates, and after a rising vote of thanks had been tendered the speaker, it was voted to have the address printed for general distribution.

Before proceeding to the election of officers, pledges were asked for the support of the paper established by the association and subscriptions were guaranteed amounting to about \$1600 at \$1 per copy.

The report of the nominating committee was unanimously approved as follows: President, Frank E. McMullen, Rochester; first vice-president, Robert L. Foreman, Atlanta; second vice-president, W. W. Booth, Denver; third vice-president, Geo. H. Allen, Montreal; treasurer, Ell D. Weeks, Hartford, secretary, E. J. Clarke, Baltimore.

Executive committee, for two years: Wm. G. Carroll, Philadelphia; C. J. Edwards, New York; Jas. W. Janney, Chicago; J. W. Iredell, Jr., Cincinnati; E. C. Ritchie, Indianapolis; Frank Wooley, Wilmington, Del.; Geo. H. Olmsted, Cleveland; Stephen F. Woodman, Boston; John F. Brown, Erie; H. H. Haskell, Los Angeles; Wm. Goldman, Portland, Ore.; J. Stanley Edwards, Denver; R. A. Edmiston, Lincoln, Neb.; R. P. Dexter, Montgomery, Ala.; H. C. Cox, Montreal; Berry J. Apple, Savannah, and J. D. Spencer, Salt Lake City. To fill vacancies in the 1907 class the following were chosen: C. E. Hitchcox, Springfield, Ill.; J. R. Nutting, Atlanta; Hy J. Powell, Louisville, and E. R. Putnam, Rochester. The executive committee subsequently chose Stephen F. Woodman of Boston as its chairman.

After the new officers had been conducted to their places and brief speeches of acceptance made, there remained only the next place of meeting to be decided upon. Des Moines wanted the convention, but Toronto won out and for the first time the National Association will meet in 1907 under a foreign flag. The date of the gathering will be left to the executive committee.

The banquet on Thursday evening was well attended and brought to a satisfactory close a most successful convention.

PAPERS AND ESSAYS PRESENTED.

In addition to the extracts from papers and addresses presented last week we give the following:

G. H. Allen of Montreal, Canada, said in part:

After a connection with field work in life insurance extending over nearly a quarter of a century it appears to me that the other wonders of the world must hide their diminished heads before the extraordinary fact that we, as life insurance men, at once the faithful servants and unique benefactors of the public, have never before had the common sense to organize.

It is one of the curiosities of history that the effort to hand men together for the common weal has always, at its inception, been opposed by

those even most closely and vitally interested. The life underwriters have helped to point the historical continuity of this very human characteristic.

In spite, however, of this heretofore lack, it is noteworthy that to-day better men are entering the life insurance field. Whether it be the attraction of independence, the realization that it is push, not pull, that tells all the time, the feeling that as a man works so shall he live, we do not care to discuss, but this much can be safely stated, that time, the softener, has wrought wonders in bringing into fellowship members of this great profession. Mutual acquaintance, ripening into friendship, has modified the bitterness so unfortunately common but few years ago.

If, then, the slow growth of the feeling of at least common humanity in the prosecution of a common vocation can do so much, how vastly does the horizon expand when the idea of closer association has passed from the realm of dream to the confines of fact—what accomplishment is impossible—what fear assail us?

The doctor, the lawyer, the architect, even the ordinary laborer, has his organization; why not the life insurance man? Does he not "minister to a mind diseased" by the elimination of killing worry? Does he not eternally expound the law of love? Is he not the architect of the fortunes of many even yet unborn and does he not labor as none other labors?

Now, at this time, late as it may be, the era of mistrust, of personal antagonisms, is behind us—before us the dawn of brotherhood, of mutual appreciation and respect. * * *

The twin evils of "twisting" and rehatting force themselves upon your notice. The former is of such a nature that probably no legislation can effectively reach. If there is a more contemptible specimen of humanity than the "twister" in existence, he is, like the legendary animals of Central Africa, yet to be discovered. You and we can do much through our various associations to eradicate this evil. We will not readily extend the hand of fellowship to a convicted "twister" and, gentlemen, I am firmly convinced that the time is not far distant when the man that cannot join hands with his fellows in his district association cannot, by the same token, remain in the life insurance business. * * *

"WHAT'S THE MATTER WITH THE PRESS?"

Young E. Allison, editor The Insurance Field, took the above for his topic, and among other things, said:

The matter with the general press is that, in the past year it has gone crazy on life insurance. We are all life underwriters here, but we are all newspaper men too. In this country the newspaper is largely the combined product of its readers and advertisers—the very public that makes the newspaper possible and profitable. There are no more alert and business-like readers of newspapers than life insurance men; no better advertisers. So being right up in the front ranks of newspaper makers ourselves, and on the good old theory that a man can always wallop his own jackass, we have undoubtedly right to decide that on the life insurance question the press has been crazy. Now, when the greatest factor in ascertaining and distributing information in the world goes crazy upon such an important and vast subject as life insurance, it is a serious thing indeed. * * *

Recognizing the responsibility and general accuracy of the press, therefore, when we see the larger part of it publishing the most absurd, exaggerated and largely unfounded attacks upon the general institution of life insurance, we are justified in assuming that the press has gone crazy on that subject; that is a victim of insane illusion; that it is carried away by a spasm of what modern scientists call "crowd madness," in which everybody is crazy with everybody else and it is only the sane man on the outside who is in the position of being virtually an oasis of lunacy in a desert of excited sanity. * * *

Now, as a matter of fact, nobody agrees as to what the life insurance inquisition and scandals actually revealed. We all know that the financial solvency of every single company involved was triumphantly demonstrated, and that life insurance was shown to be the most impregnable financial institution in this country—not less so even than the National Government itself. It was not shown that a single death or endowment claim had ever been unpaid, but it was shown that the trust office of life insurance to the widow and orphan was a record without a single blemish. It is proof to my mind that the press was crazy with crowd madness when it failed to see these great and astonishing facts looming up above the fog of petty and nasty personal scandals that it exploited day by day. * * *

The banks and trust companies have lost more of the funds of their depositors in one year by dishonesty than have been lost to the policyholders of all the old line companies combined in twenty-five years. When a ship is as tight and well-manned as that, nothing less than a spasm of popular lunacy can doubt its safety and soundness. * * *

I can easily segregate from the annual reports of one year before the lightning struck the figures of a small group of these companies in which the aggregate premiums received on new business written the year before was stated at \$30,000,000. We all of us know that that was a book-keeping fiction. Probably fifty per cent was never even collected or stipulated for collection. It was rebated shamelessly and the remainder went for paying the actual commission of the agent and the other expenses of the business. Very little, if any, reached the company except in the form of crossed accounts—rendered to fill entries in bookkeeping made necessary by the fiction of the system.

The life insurance which that \$30,000,000 of fictitious premiums represents was almost wholly written on the deferred dividend or other high-pressure plan. Under the commission contracts which the agents held we know that from sixty to seventy per cent of the first premium was payable to the agents for writing that business if they collected it. We know they did not collect fifty per cent of it. We know that, as a rule, they were working on cash salary advances, with prize and bonus expectations, and that when they got in sight of the bonus they could give policies away and make money by it. Nobody in the United States has been able to make such splendid presents to perfectly healthy friends about Christmas times as the rebating life insurance agent. I know of

one instance where all the life insurance left by a rich and healthy man who died suddenly was \$150,000 given to him by life insurance friends at postage stamp rates on the approach of Christmas. All of you know of similar cases. I know of plenty on a smaller scale. * * *

Sanity has not returned yet. Notwithstanding the trouble caused by irresponsible deferred and forfeitable dividends, there are thousands of agents who think that the prohibition of these forms will "ruin the business." They have grown so used to living on their own hot air that the prospect of a return to solid diet and cool atmosphere makes them shudder with apprehension. Actuaries who have allowed what they call "the practical demands of the business" to make seductive advances to the chastity of pure mathematics, under the pressure of field demands, disagree about what ought to or can be done. The Armstrong laws have been damned in part or in whole by nearly everybody and there is no more agreement about what is actually to be the result of the reactionary movement started a year ago, than there is an agreement in any well populated lunatic asylum upon the nature of moonbeams to be extracted from fresh cucumbers.

We have got to wait and see. There are five years of experience ahead. Nobody can tell what annual dividends will do until the dividends can be earned and actually distributed. We have all our individual ideas as to what to expect, but the proof of the pudding is in the actual eating, and it will take from three to five years to begin the eating of this pudding.

In the meantime the press having gone crazier than anybody else on this subject, shows signs of growing sane quicker than the others. It has quit denouncing the whole institution of life insurance and is discovering that there are well and economically managed companies and covering that there are simple life insurance policies. It had a very acute attack, but is apparently making a good recovery. The doctors and trained nurses are busy with the chronic cases and the insuring public that have got rebates in their system and can't get 'em out. Even at this critical juncture there are agents giving away policies and giving themselves away.

But whatever happens, life insurance is all right. It is the soundest, most beneficent and most rigorously managed business system in the world. If banking, trust companies or private business had been called upon to undergo the merciless inquisition that life insurance has borne without a single failure, this country would have been buried under the ruins of bankruptcy a year ago.

THE PRIZE ESSAYS.

"The relation of the public press to American life insurance" was the topic assigned, and the winner of the first prize was Howard H. Hoyt of the Chicago Life Underwriters Association, who said, in part:

The press was originally purely educational, and ideally is still so. Life insurance originally was a mute alliance for help in the hour of need; not self-help, but the help of others—namely, the families of the bereaved. The press is a voice; life insurance, a principle, that voice uplifted and that principle expressed for the good of society. The deplorable fact that at times both have seemed to forget their noble origin and been unduly swayed by commercialism instead of altruism does not alter the need of a close relationship between these two forces, operating to the same high end. The fact that from administrative necessity each has become a business ought not to interfere with the high ideals which gave them birth.

Yet there has been a seeming antagonism between these two natural allies. The business of life insurance has been assailed and greatly injured. The press has been guilty of exaggerations and of almost malicious sensationalisms more disastrous in their immediate results than the conditions which inspired the attacks. People have been frightened into lapsing valuable policies, and even prejudiced against the principle of life insurance. * * *

What, then, should be the relationship between these two moral forces? The press is more than a voice. It is the eyes and ears of the people, and, to a great extent, does their thinking. It is their closest companion. All doors open to the newspaper. It is welcome where the salesman is excluded. The press literally molds public sentiment. United it can make or mar any human institution; it can turn the course of human events. Life insurance is not as spectacular in its operation, nor as immediate in its results. It is one of the silent forces which permeates society and leads to better things, but none the less an important fact in our civilization. As society is now organized, both are necessary.

The press is right in insisting that life insurance shall remain true to its ideals; but it must not forget that it is easier to tear down than to build; that life insurance as a force not only must be kept pure, but must be active in the service of humanity. On the other hand, if our life insurance institutions hew to the line, if they remain true to the principles of altruism which gave them birth, their relationship with the press cannot be too close. The press is too potent a factor in the world's progress to be ignored. It is a power which should be utilized to the utmost in insurance work.

Let the press maintain its ideals; uphold life insurance as a great principle which works with scientific exactness for the good of society; continue to protect the public from individual greed and dishonor, yet not lightly tear down. Let life insurance companies remain true to their legitimate functions and recognize in the press a great power to be successfully and properly utilized. Here will be an alliance in the keeping of which it will be safe to leave the future. * * *

Charles M. March of Portland, Me., member of the Maine Association of Life Underwriters, captured the second prize. Extracts from his essay follow:

As a people we have largely interpreted the sentiment, "All men are born free and equal," to mean that all law-abiding citizens may conduct their own affairs in their own way, irrespective of others. This has produced the era of free competition in which we have been living. The transformation of the world by invention and discovery, and the eco-

nomie changes caused by modern machinery and improved commercial facilities, are modifying our apprehension of this doctrine; and we are being compelled, by resultant circumstances, to observe the relative rights of others. We are realizing that observance of the Golden Rule may be demanded as a right.

The public press, distinctively a product of modern times, is, if properly utilized, a mighty factor for education and enlightenment. Perhaps no other single agent of our civilization has affected our lives more powerfully. * * *

The press has reached its present position as an exponent of the people's rights, not merely by the exercise of its function as a distributor of news, but by its purpose to state things as they are; and to expose, if necessary, the unlovely traits of a man's character as well as the good and true. In the present time of national moral regeneration, the public press has borne testimony, sometimes unconsciously, to the high position and integrity of life insurance by the prominence it has given to any deviation from rectitude which has been discovered with respect to some of those to whom has been intrusted the management of that institution. It does not pertain to the function of the press to publish the fact that a death claim or a matured endowment has been promptly paid by a life insurance company because it is for these things that the companies exist, and such an item would not be a news item, while the facts concerning the expenditure or distribution of a sum of money in a manner which may be held to be right or wrong is properly a matter for publication and for editorial comment. In considering the treatment by the press of men active in the management of public or corporate affairs, we should remember that it is a trait of human nature for the evil to most sharply impress us.

Life insurance is a complex subject requiring years of study and experience to comprehend the peculiar relation of its component factors. It has not, until recently, been before the people as a great public question. Newspaper writers have rarely noticed it. When, therefore, in recent months the press has essayed to discuss the principle and practice of insurance, the inevitable result has been that its fugitive compositions have been of little real value and often misleading. Even our best and most conservative journals and periodicals have unintentionally assumed a position of apparent hostility to life insurance by advocating measures which could be only disastrous. As public interest in insurance has continued, many of the daily newspapers have established departments of insurance, edited by experienced insurance men, students of their profession. The great influence of these papers thus is where it rightly belongs, in support of all that is good and best in American life insurance. * * *

Insurance Affairs in Great Britain.

[FROM OUR OWN CORRESPONDENT.]

I referred in my last to the closing of branch establishments in this country by the Equitable Life. The New York Life is, I hear, taking somewhat similar steps. It is, however, remarked here that the Mutual of New York, while dispensing with some of its sub-branches, is keeping its branch offices practically intact and from these has entered upon an active campaign with a view to preserving its business and connections. In the words of a contemporary it is giving every indication of its intention "to make a fight for it."

This is by no means an ill-advised course for the British public is always quick to appreciate any action which shows pluck and determination, and there is a great deal of truth in the phrase "dogged does it."

Adverting to the subject of American life assurance business in the British Colonies the following paragraph from the speech of the chairman of the Colonial Mutual Life at the general meeting of members held in Melbourne is of interest. The chairman said:

As a result, apparently of the disclosures in America, the life offices hailing from that country doing business in our midst have determined to cease from the active canvass for new business here. This will cause some diminution in competition, and it is hoped that, as a result, the procuring of new business should become less costly and a larger amount be obtainable.

In a recent leading article, under the title of "The Passing of the Cloud," The Insurance Record (of London), which is usually regarded as voicing actuarial opinion, deals with the report of the select committee of the House of Lords upon life insurance companies.

The opening paragraph is well worthy of being reproduced in full and is as follows:

It is quite possible that, in many quarters, some very drastic legislation was expected to be foreshadowed by the report of the House of Lords' committee, which has been sitting on the question of foreign life assurance. Practically there is no limit to the wildness of conjecture, which, in special circumstances, assails the more ignorant section of the public, already fed up by the extravagances of writers as thoughtless as themselves. It would hardly be surprising to learn that some may even have regarded the summary expulsion of American life assurance companies from our shores as quite a likely outcome of the committee's deliberations. To say the least it was a foregone conclusion in the minds of persons suffering severely from insular prejudices, that legislation would be recommended tending to throw formidable obstacles in the way of the American companies, not the least of which would be the compulsion to invest in this country an amount large enough to cover liabilities to British policyholders. Some of these expectations were more natural, perhaps, than they now appear, when regarded in cold blood. We had in evidence the chronic antagonism of some American legislatures to British companies entering into competition with their own; and it was impossible to conceal from the observant what would

have been the attitude in the United States toward British companies in similar circumstances. "Protection for native industries," which continues to be the controlling feature of American fiscal policy, would doubtless have been relentlessly applied in the domain of insurance; and the companies might even have been compelled as now in France—to invest in native securities the full reserve against American insurance contracts.

The article then points out that, beyond the fact that the statutory deposit of £20,000 with the Accountant-General of the Court of Chancery is, in the case of foreign companies, to remain as a permanent guarantee, as distinguished from that of British companies, which are entitled to withdraw it as soon as their accumulated funds rise to £40,000, the rest of the committee's suggestions may be passed over without serious comment.

The conclusion arrived at is given as follows:

Thus, to the gratification, we have no doubt, of all reflecting people that immunity from needless State supervision, which is our boast, will continue to be maintained as in the past; and this is to be noted as an exceptional instance of legislative wisdom on the part of the hereditary chamber. Had the committee arrived at a contrary conclusion, it is more than doubtful whether its recommendations would ever have been given effect to. True, there may still be those who, blinded by prejudice, are not entirely satisfied; but there are good grounds for the belief that their numbers will steadily dwindle in proportion to the advance of enlightenment. For we cannot fail to regard the committee's attitude as helping to roll away the dark cloud which has been overshadowing life assurance, in America and Europe alike, for the last few months.

A writer in the policy, however, in the course of a scathing article claims that British actuaries have been outwitted, and severely criticises the arguments upon which the recommendations in the report are based.

Nothing has lately been heard of the action Mutual Life of New York vs. North British and Mercantile and D. C. Haldeman and the question is being asked "What has become of it?"

The recent calamity at Valparaiso has had the effect of depressing the market price of the shares of some of the leading companies, but the effect of this is gradually passing away, it being now regarded as certain that, in consequence of the prominence given to the "earthquake clause," British offices will not be heavy losers.

A short time ago I mentioned that the fire offices, on this side, had their hands pretty full and that they were meeting with increasing competition owing to the fact that several of the accident insurance offices had lately commenced to transact fire insurance business.

There is every reason to anticipate that the accident offices will shortly find their hands pretty full also. A new workmen's compensation bill is in the making and is expected to come into force on January 1 next. So far as can at present be judged, this measure will largely increase the liability of employers generally, and, while there is no doubt it will open up many new channels for business, it can hardly fail to have a most disturbing effect upon existing arrangements, and the operations of companies accepting this class of risk. Indeed, in view of the fact that the act of 1897 came into force on the first of July, 1898, and the prospective act is to take effect as from the first January, the companies have to look forward to a large increase in office work, entailing numerous complications and adjustments, during the first few months of next year. As the act will contain many interesting and special features, I shall refer to the matter again when the final stages are reached.

Efforts have repeatedly been made to form "a tariff" among the accident offices, due no doubt, in part, to the success which has attended the existence of a tariff amongst the fire insurance companies. So far these efforts have been unavailing owing to one or two important offices holding aloof. An association has, however, this year been formed, known as the Accident Offices Association, and its efforts, it is hoped, will lead to a general understanding and working arrangement.

An association from which great things are expected in some quarters, and which also came into existence this year, is the Association of Insurance Agents and Brokers, having the following as its principal objects:

(a) To promote the general welfare and interests of its members by co-operation, and to maintain and extend their usefulness to the public advantage.

(b) To place the position of insurance brokers and agents on a more satisfactory basis, with a view to securing for the community the existence of a class qualified to be employed in the responsible duties of insurance brokers and agents.

(c) To secure mutual support and co-operation in dealing with unfair competition.

(d) The suppression of the growing tendency of allowing any commission or rebate, directly or indirectly, to other persons than insurance brokers and agents.

(e) To check the promiscuous appointment of agents.

Yet another association which is coming to the front, and which later on may not be without its effect upon insurance companies, is the Institute of Directors. This society was formed some three years ago, but has now been granted a royal charter.

A London daily paper has just published an article describing an interview with a Lloyds broker anent "risks Lloyds will take." Among the most interesting items are: Insuring managers of cricket matches, etc., against loss of receipts in consequence of rain. Insuring the lives of reigning monarchs against assassination. Insuring losses from earthquakes in countries liable to upheavals; from destruction of crops by hurricanes in countries where these are prevalent; from war between two countries, or a successful revolution. An instance is on record where a needy young man was engaged to marry a rich heiress, and wanting ready money an accommodating money-lender agreed to make him an advance on condition that the marriage was insured at Lloyds. A broker was approached who, after making investigations as to the bona fides of the engagement, agreed to insure the marriage for £500 at ten per cent. The desired loan was obtained, and in due course the wedding took place. One gentleman, it is stated, insures the price of his cigars, a particular brand grown in Cuba upon a little strip not a mile in extent. His usual purchase is two thousand at sixty shillings a hundred, but when the crop is small the price is increased. To insure always getting them at sixty shillings, he pays an annual premium of ten per cent. The conclusion arrived at is that anything under the sun may be insured at Lloyds, in which there is certainly much truth.

London, October 20, 1906.

CHARTERS.

1906 Life Insurance Laws of New York.

The several bills passed by the New York Legislature, at its 1906 session, relative to life insurance, continue to excite general interest, and should be in possession of every person connected with life insurance. They have been printed in convenient form in a book of ninety-six pages, copies of which may be obtained at fifty cents per copy.

Another form contains a complete index to each clause of the several measures, making 122 pages additional, and sells at seventy-five cents per copy. Both these books may be obtained through The Spectator Company, 135 William street, New York.

The complete "Insurance Code of New York," covering all existing laws relating to every form of insurance, is a necessity in the office of every insurance man. This book also includes the 1906 life insurance laws. In addition to the insurance law there is also presented the statutory construction law, provisions of the penal code and notes of court decisions and opinions of Attorney-Generals as to the interpretation of the law. Copies of this work may be had in paper covers at \$1.50, or bound in buckram, \$2. Orders for any one or all of the above named publications will be filled immediately on receipt by The Spectator Company, 135 William street, New York.

Life Insurance Developments of the Week.

Last week Insurance Commissioner Barry of Michigan notified President Peabody of the Mutual Life that he will resort to vigorous measures to stop electioneering by the agents of the company.

Joseph A. Rock, a former agent of the New York Life, has filed an affidavit charging the New York Life management with forgery. Mr. Rock declares that the company is sending out a letter with the ballots to be voted, which letter bears the signature of Rock, and that he has not been connected with the company for two years and did not sign the letters.

Officials of the New York Life were subpoenaed to appear before a referee and be examined in connection with the injunction proceedings brought by Stephen Farrelly against the company and against twenty-one directors. On Mr. Farrelly's complaint an order had been issued for the company and the directors to show cause why they should not be restrained from using the funds of the company for campaign purposes in the election of directors. Abraham Benedict, a lawyer from Mr. Untermeyer's office, submitted a list of questions to Vice-President Buckner and Treasurer Randolph to be answered and sworn to in order that the information might be presented in court in the form of an affidavit. Both officials refused to comply and Vice-President Kingsley could not be found. Justice Nash then issued an order for Mr. Buckner and Mr. Randolph to appear before a referee "forthwith." A process server endeavored to serve the papers upon Mr. Buckner and Mr. Randolph, but was unable to do so through the intervention of John H. McIntosh, general counsel of the company. Assistant Deputy Sheriff Metzger of Deputy Sheriff Hayes' office was then ordered to serve the papers and he met with no opposition. Mr. Buckner and Mr. Randolph appeared before Referee Russell L. Tarbox at 60 Wall street, where a lively altercation took place, terminating in an agreement to postpone the proceedings until the following morning when Wm. N. Cromwell obtained an order blocking the plan of Abraham Benedict to have the New York Life officials testify as adverse witnesses.

Frederick C. Paige of Detroit, Mich., agent of the Mutual Life, who,

It is charged, was dropped because he would not work for the administration ticket, has been asked by District-Attorney Jerome of New York to come to New York to tell what he knows about the expenditures of the policyholders' money and the alleged coercion practiced on employees.

The independent committee of Massachusetts policyholders in the Mutual Life has addressed an appeal to the policyholders urging them to vote for the united committee ticket.

—The Sterling Life Assurance Company with headquarters at Ottawa, has been incorporated, with an authorized capital of \$2,000,000. The provisional directors are: Denis Murphy, ex-M., L. A., Ottawa; A. W. Fraser, K. C., Ottawa; W. B. Matthews, Ottawa; J. S. Turriff, M. P., Ottawa; W. H. Shaw, Toronto; J. W. Garvin, B. A., Ottawa; J. L. Garvin, B. A., Ottawa. Notice of the promotion of this company appeared in THE SPECTATOR March 22, 1906.

—At the fall meeting of the Actuarial Society of America there were seven papers presented, four of which were referred to in these columns last week. The others were: "A Distribution Formula," by Miles M. Dawson; "Is the Standard Life Policy Law of New York Unconstitutional?" by Walter S. Nichols, and on "Surplus Apportioned Annually," by H. W. Robertson. In addition to the edition of E. E. Rhodes as a Fellow, the society also honored Arthur R. Grow of the New York Life and Herbert B. Dow of the New England.

—The Supreme Lodge, Knights of Pythias, has adopted the following new rules affecting 80,000 policyholders: An increase in the maximum policy from \$3000 to \$5000. An increase in the age limit from 50 to 60 years. The creation of a new fifth class of insurance which substitutes for the old Fraternal Congress Table the American Experience Table with interest at $3\frac{1}{2}$ per cent. There will be an annual dividend policy, returning to the member at the end of each year all over and above the cost of carrying the risk and expense of the management. All policies are to be incontestable after three years. Privilege is given policyholders in the fourth class to transfer into the new fifth class, taking the same amount without new medical examination.

—The Century for November contains, among other interesting articles: "Athirst in the Desert," Langdon Warner; "Whistler's Academy of Painting," Cyrus Cuneo; "The Shuttle," I., serial story, Frances Hodgson Burnett; "Julia Marlowe," Elizabeth McCracken; "The Lure of the Pearl," Frederic Courtland Penfield; "Running Water," IV., A. E. W. Mason; "Trading His Mother," Anne Warner; "Jay Cooke, and the Financing of the Civil War," I., by the author of "Robert Morris, Patriot and Financier," "Abraham Lincoln," etc., Ellis Paxson Oberholtzer; "The German Emperor's Voice," E. W. Scripture; "The Great Renunciation," a story, by George Woodruff Johnston (picture by Leon Guipon); "Mr. Bryan and Our Complex Social Order," Franklin H. Giddings; departments and illustrations in color.

INDUSTRIAL INSURANCE

—Manager Moehring of the Colonial's Bronx district has issued a challenge to the Trenton district for ordinary placed and paid for by December 31.

—Among the Colonial agency ranks B. Heksch of New Brunswick has the honor of being in the van guard for industrial increase. He is followed by John Grantling of Hoboken. The leading ordinary agent is F. E. J. Chrystie of Jersey City.

—Assistant John Doran of Williamsburgh leads all others on the Colonial ordinary record for 1906. Following him are: C. J. Nungesser, town of Union, and T. L. McKim, Brooklyn. The leading industrial assistant is R. H. Muench of the Bronx. He is closely seconded by M. Schickler of Perth Amboy.

—The Life Insurance Company of Virginia announces the following changes and promotions: An assistantcy has been established in Anderson, S. C., under the direct supervision of Superintendent Sullivan. W. M. Street has been appointed agent in charge of Florence, S. C., succeeding Agent W. A. Sanders, resigned.

—In the struggle for industrial supremacy among the Colonial forces for the year with the managers, L. P. Welsh is the leader. Next to him are C. W. Hugg, Newark, and P. J. Lee, Paterson. The leading ordinary manager is Louis Janson of Williamsburgh. Following him are: L. P. Welsh, Trenton, and T. A. Sheers, Hoboken.

—The Colonial reports the following recent appointments to assistantcies: Fred. E. Francisco, Brooklyn; Thomas Bannon, Hoboken; William Stottlemeyer, York; Patrick F. Cosgrove, Phoenixville. Assistant Edgar L. Oram has been transferred from Long Branch to Elizabeth, and Assistant H. M. Ottinger from Phoenixville to Lansdale.

—A few things to think of between now and Thanksgiving. And then don't forget to think of them occasionally after that. No strikes—

No vexatious elections—General prosperity still prevailing—Jobs chasing the man, not the man the jobs—Plenty of work—Good wages—Abounding peace—Rich harvests—Everybody happy—Companies offering extraordinary inducements to good men to get good business in good volume. Halcyon days are these for producers.

—The Prudential's superintendency leaders in industrial for 1906 are: J. Pauer, McKeesport; J. Reid, Milwaukee 1; G. J. Wink, Wilmington; L. F. Miller, Allentown, and P. H. Showalter, Denver. Assistantcy leaders: C. P. Wurster, Charleston; P. M. Russell, New Albany; S. P. Miller, Joplin; B. R. Cosby, Joplin, and O. G. Gooden, Wilmington.

—There is no apathy in the Prudential ranks, as is abundantly shown in the following record of one week's work in its various divisions: Week of September 10, New Jersey, \$2,024,500; week of September 24, New York, \$3,131,300; week of September 24, Pennsylvania, \$3,053,350; week of October 1, New England, \$1,849,630; week of October 8, Western States, \$5,655,689; grand total, \$15,714,469.

—Without enthusiasm your life will be a blank, and success will never attend it. Enthusiasm is the one secret of success. It blinds us to the criticisms of the world, which so often damp our very earliest efforts; it makes us alive to one single object—that which we are working at—and fills us not with the desire only, but with the resolve of doing well whatever is occupying our attention.—Montalembert.

—Prudential men who have been advanced to the rank of assistant: F. Bogen, Jr., Brooklyn 7; F. Holiday, Jersey City 1; W. G. Wallace, Jersey City 2; N. T. Hibben, McKeesport; H. W. Swartzlander, Tarentum; F. L. Short, Easton; J. O'Reilly, Saratoga; S. Szymkus, Chicago 7; F. W. Mackey, Newark 2; J. E. Paquet, Manchester; J. W. Purcell, Dubois; C. F. Lugar, Richmond; T. L. Lonergan, Saginaw; M. J. Coyle, Paterson 2.

—I have been watching the careers of young men by the thousand in this busy city of New York for over thirty years, and I find that the chief difference between the successful and the failures lies in the single element of staying-power. Permanent success is oftener won by holding on than by sudden dash, however brilliant. The easily discouraged, who are pushed back by a straw, are all the time dropping to the rear, to perish or to be carried along on the stretcher of charity. They who understand and practice Abraham Lincoln's homely maxim of "pegging away" have achieved the solidest success.—Rev. Dr. Theodore L. Cuyler.

—Agent J. D. Miller, of the St. Paul staff of the Prudential, recently wrote forty-seven applications, for \$3.80, in connection with the payment of one claim, which was for only \$103. Now, all those people who gave Agent Miller applications might have been reasonably supposed to have had sense enough to protect themselves without this practical demonstration. But they did not. They were all from Missouri. They waited to be shown and Agent Miller knew how to do it. As one beneficiary recently expressed it: "Heretofore life insurance has been a theory to me, but now, seeing its practical value, I am a strong advocate of the system."

—Among the most recent changes reported by the Colonial are the following: Appointments to Assistantcies—J. J. Kennedy, West Philadelphia; John Booth, Newark; Eugene Pearce, Germantown; John Pritchard, Plainfield; David Hunter, Easton; J. W. Rowe, Bronx; J. F. W. Bruns, Bayonne; H. J. Huffman, Elizabeth; Henry Josephson, Harlem; J. R. Schumacker, Hoboken; J. B. Daily, West Philadelphia; Ralph Galloway, Newburgh; L. D. Weiss, Newburgh; H. M. Eldridge, Burlington; J. J. Sheers, Jamaica, and C. F. Radzinsky, Philadelphia. L. S. Brown has been appointed to the managership of Germantown, and E. W. Cranmer has been promoted from Newburgh to the detached assistantcy of Harrisburg.

—A number of Prudential men have recently received their Prudential Old Guard badges for years of continuous faithful service with the company. These emblems are highly prized by all who are so fortunate as to receive them and the sentiments contained in the acknowledgments of the men are lasting tributes to the company and its methods. It is most gratifying to an employee to be able to look back on long years of service with a concern and feel that during the association he has been fairly and courteously treated. The badge is an acknowledgment by the company that the recipient has performed his task well. Those assistants who have recently secured badges are: J. F. Kerns, Chester, Pa.; W. B. Smiley, West Chester, Pa.; J. E. Karnes, Buffalo; D. E. Van Etten, Dover, N. J.; W. H. Griffith, Quincy, Ill.; John Milton Williams, Springfield, Ohio; B. F. Tuthill, Towanda, Pa.; R. J. O'Toole, Detroit; F. De Forest, Buffalo; Peter Daeubler, Mt. Vernon; J. Blrdsall Pharo, Red Bank; H. G. Andrews, Brooklyn, and Geo. H. Davis, Buffalo. All the men feel the benefit of the valuable experience their work for the company has given them; an experience which can be made most val-

uable in any field of endeavor to which they may hereafter turn their attention. Most men who enter the industrial insurance field come to it with little or no knowledge of its workings; with no knowledge of the art of salesmanship, of dealing with men and interesting them in a great industrial and benevolent institution. The industrial worker has the opportunity to raise himself up from the level of ordinary clerks and mechanics, to meet people in better circumstances than himself, with broader knowledge and ideas and to make them his friends. The ordinary clerk does not have this opportunity to reach out and broaden. In the ordinary course of business the young man must learn, unaided, to make his way. He finds many to find fault and few to assist. The industrial worker, on the other hand, is given an education free of charge. The company places the new comer in charge of men specially selected for their ability to teach others how to make a success of their lives. In other lines of business, the young worker is given certain duties to perform and if he shows any inclination to assume responsibility or advance himself, those above him not infrequently, through jealousy or arrogance, snuff out the flame of ambition and the young worker concludes that the world is against him. The industrial worker is given a straightaway track. Any spark of ambition there is in him is nurtured and fanned into a flame by the human dynamos who are continually forcing energy and spirit into the field forces of our great insurance companies. What a difference! Who can fail to see the vast superiority in the position of the man who takes up work for a live industrial company? As the recruit's knowledge of industrial insurance increases, and he learns how to carry himself with dignity and grace in handling men, there is opened to him the limitless field of ordinary insurance, by which he cultivates the acquaintance of a more prosperous and influential class and the solicitor's knowledge of men and affairs is again broadened. In short, he is, through his association, receiving a valuable education and making a living at the same time. It is no small wonder that Prudential men value highly their P. O. G. badges. They signify more than a mere service; they represent the company's respect and appreciation of good work performed, a valuable asset in education and experience and a triumph over many obstacles.

FIRE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

Hugh Lewis, general manager of the Central Insurance Company, Ltd., of London, was in the city last week.

John H. Washburn celebrated his seventy-eighth birthday on Saturday last. The officers of the Home gave him a luncheon in honor of the event.

The brokers are laughing at the open deviations of the companies in the application of the ten per cent advance in calculating additional premiums on old policies, and also in allowances for reductions. Upon a Greenwich street policy, where the card rate is now 1.15 plus ten per cent, a later reduction for improvements gave an allowance of eighteen cents from the old rate. Several companies, including some of the millionaires, paid return premiums on the net sum without reference to the ten per cent advance. The reduction should have been made upon 1.26½, which was the correct rate. This is pure carelessness.

Several managers have expressed the hope that the special committee upon economics will recommend the Exchange to amend the rotation clause in the agreement with reference to the committee on arbitration. Without any reflection upon its present membership, the make-up of the committee has been painfully manifest upon several occasions. As President Shallcross is an ex-officio member, it is suggested his presence might stir the committee into activity in the direction of probing the question so often asked—whether the small army of unlicensed brokers which swarm around the branch offices are working gratuitously or are secretly receiving commissions. The enormous number of policies reported every week as canceled for non-payment of premiums, and credited to non-certificated brokers, is suggestive of underground practices.

The latest annual report of the Baltimore and Ohio Railroad, just out, tells quite an elaborate story of the operation of the company's fire insurance fund. The company contributed to the fund during the

year \$334,221. They collected from companies for fire losses \$75,052, and for marine losses \$19,964. The fund paid for fire losses \$182,936, and marine losses \$17,759; paid for reinsurance, by which is meant policies in outside companies, \$137,561; expenses, \$2624. The balance on hand June 30, 1905, was \$193,835, and the balance same date in 1906 was only \$163,749. The assets of the fund are \$780,951, including unearned premiums of \$67,005, but the liabilities are a cash advance due the railroad company of \$250,000, and unsettled losses of \$56,830.

Brokers and others have received a very flattering offer from a casualty company of an approved gold fountain pen for every \$25 in premiums on new business paid to the company between October 30 and December 31; and on the same basis, an additional pen for each additional \$25. This is a far-fetched illustration of the old saw that the pen is mightier than the sword. By the way, are not the casualty companies interested in a commission compact?

The Exchange has issued a new edition of the Hand-book, which is a great improvement in the arrangement of the various sections of the agreement, the rulings of the Exchange and of committees upon the different subjects. Yet there are evidences that the Exchange itself is not consistent in its rules. Witness the extra interpretation appended to section 17 in relation to payment of commissions by brokers to outside agents upon risks outside the jurisdiction of the Exchange. There are two distinctly different interpretations of the obligations of brokers in opposition to each other. The forbidding clause has so long been a dead letter that it might well have been omitted.

The recent changes in the heads of departments in the city government have caused some regret among our city underwriters, lest the removal of Water Commissioner Ellison to the corporation counsel's office may retard the early completion of the new auxiliary salt-water supply now in progress. It is only a few weeks now to freezing weather, and the minds of the companies and their managers are on the importance of the half-completed work to a degree that any delay will be aggravating, in view of the winter's fires and their possibilities.

The delay in the reconstruction of the automatic fire alarm signal system is a thorn in the flesh, after all the promises to proceed rapidly and effectively with the work. Evidently the interests involved are suffering from too much politics.

It is understood that there are several attachments in the hands of the sheriff of this county awaiting service upon certain foreign companies, not regularly admitted to this State, for claims arising from the San Francisco fire.

BOSTON AND VICINITY.

A. J. Harding, manager of the Western department of the Springfield Fire and Marine of Massachusetts, has issued a circular letter to his agents, in which he declares that there is no more room for plunging methods on the part of the company or agent in fire insurance, than there is in banking; and that it will be a long step toward saner conduct of fire insurance when this fact is generally understood and heeded.

N. E. Silsbee, for more than fifty years in the insurance business, senior member of the agency firm of Silsbee, Baker, Geer & Ingalls, Lynn, Mass., is about to retire from business.

A. W. Child, son of W. B. B. Child, has been admitted to the firm of W. B. B. Child & Co., Boston, marine underwriters.

At the first meeting of the season of the Boston Insurance Library Association the subject discussed was the "San Francisco Conflagration."

The speakers included Osborne Howes, secretary of the Boston Board of Fire Underwriters; A. L. Berry, special agent of the New York Underwriters; W. B. Medlicott, special agent of the Atlas.

A committee from the New England Insurance Exchange has been in consultation with the Penobscot County (Maine) Insurance Board, relative to changes in the form of policies on lumber, with a view to making a new rate. The suggestion is that a new form should be

instituted, allowing insurers with policies amounting to ninety per cent of the full value of the lumber a lower rate than is now given on lumber which is insured for only a comparatively small part of its value.

At the November meeting of the association C. A. Hexamer of Philadelphia will lecture on the subject "Hazards of Chemistry."

At its meeting, Saturday, the New England Insurance Exchange took the first step toward reduction in insurance rates, which were raised after the San Francisco disaster. The step was in the form of a repeal of the "emergency rate," which raised insurance twenty cents per hundred dollars in the towns and cities of New England over which the Exchange has jurisdiction. This emergency rate was termed the "conflagration hazard rate," and in the majority of cases it is repealed, except on frame buildings, stocks of merchandise and certain specified classes of risks which have proved undesirable. About sixty cities and towns will benefit by the reduction, the exceptions being New Hampshire, Boston and Providence.

NOTES FROM PHILADELPHIA.

The Insurance Company of the State of Pennsylvania has been licensed to do business in New Jersey, Indiana, Wisconsin, Ohio and West Virginia. The statement which the company recently submitted to the Insurance Department of Pennsylvania shows it to have assets of \$838,741, and a surplus as to policyholders of \$449,893.

The names of David A. MacCarroll, William H. Thomas, Harry Wallace and M. B. Hoffman, appear as signers of an application to the Pennsylvania Insurance Department for a charter for a corporation to be known as the General Agency Company of Philadelphia, the object of which is the carrying on of a general insurance agency business.

Ten shares of stock of the Spring Garden Insurance Company sold last week at auction in this city at \$50 per share. On April 5 last, before the San Francisco disaster, shares of the same company sold at \$77.

The Union of London has joined the number of companies which have ceased, or practically ceased, writing business in the congested section of this city. It has just ordered most of the lines now carried there canceled and, it is understood, has practically limited its gross line in the whole territory to \$400,000. It is said that the Fire Association of this city is also gradually reducing its line in the congested district to a maximum of \$1,000,000.

The following changes have been made in the list of signers of the Philadelphia agreement of April, 1897: Added—Wagner & Taylor, for National Lumber, Buffalo, N. Y. Removed—R. H. Patton, for Cosmopolitan Fire of New York.

THE MIDDLE STATES.

—The Union of Buffalo is considering extending its plant in the West.

—Frank M. Crittenden has been appointed special agent of the Hanover Fire for Western New York State.

—Martin Brothers of Washington have been appointed agents for the Fidelity Fire of New York for the District of Columbia.

—The well-known agency firm of Clarke & Groves of Buffalo has been merged with the incorporated agency of Charles M. Clarke & Co.

—It is now stated that when the National American Fire of Philadelphia commences business it will have a capital of \$1,000,000 and a like amount of surplus.

—John H. Dickson, a well-known fire insurance agent of Troy, N. Y., died recently of pneumonia. The agency will be continued by his brother, James R. Dickson.

—Superintendent of Insurance Drake of the District of Columbia has required fire insurance companies to file a financial statement showing their condition as of October 31.

—W. Edwin Florance, secretary of the New Brunswick Mutual Fire of New Brunswick, N. J., has been elected president of the company, succeeding the late Charles W. Kent. John W. Helm has been elected secretary.

—The New York State Insurance Department has notified the New York State fire companies and the United States branches of duly admitted foreign fire companies to file statements as of October 31, showing assets and liabilities, to be forwarded not later than November 15.

—E. C. Irvin, president of the Fire Association of Philadelphia, has sent out circular letters to the company's agents throughout the country informing them

that over \$700,000 on account of the \$1,500,000 of new stock issued have already been paid in. He predicts that after paying all liabilities at San Francisco and elsewhere the company will be in a better financial condition on January 1, 1907, than it was on January 1, 1906. President Irvin, placing every confidence in the agents' ability and in their loyalty to the association, bespeaks their heartiest co-operation in rolling up a large volume of business, together with their best efforts, in so presenting the company's claims to the insuring public as to insure this result.

THE NEW ENGLAND FIELD.

—Harold L. Vedder, special agent of the Delaware Fire of Dover, has been elected to membership in the New England Insurance Exchange.

—Arthur R. Graham of the Boston Insurance Company has been appointed New England special agent for the Dutchess Fire of Poughkeepsie and the Teutonia.

—Charles W. Murray, inspector of internal electric wiring for the New Hampshire Board of Fire Underwriters, died a few days ago at his home in Concord. Mr. Murray was born in Burlington, Vt., thirty-six years ago.

—At a meeting to be held next week of the stockholders of the Mercantile Fire and Marine of Boston, President Cram and Vice-President Campbell of the American Central of St. Louis, who are at present in Boston, will determine the amount of assessment to be levied on the stockholders of the former company.

THE WEST.

—The Law Union and Crown has discontinued writing business in Colorado, and will withdraw from that State.

—Edward H. Butler has been elected president of the Detroit Fire and Marine to succeed the late William A. Moore.

—The Toledo Fire and Marine of Sandusky, Ohio, has been admitted to Illinois, with De Roode, Faulkner & Ettelson as Chicago agents.

—The Illinois Bankers of Mount Vernon, Ill., has applied for admission to Minnesota. Cooley & Underhill get the agency at Duluth.

—M. Barclay, formerly Illinois special agent of the Atlas of London, has been appointed Cook county special agent of the Northern Assurance.

—J. E. Baker of the Citizens of Mankato, Minn., has been appointed special agent of the Royal to assist C. S. Cowles in Minnesota and the Dakotas.

—E. L. Williams, agent at Columbus, Ind., for a number of fire and casualty companies, is reported as having disappeared with a considerable sum of money.

—The Iowa State of Keokuk, Ia., has elected Judge William Logan president to succeed the late Samuel E. Carey and A. E. Johnstone, vice-president and director.

—The Fire Association has appointed Emile W. Decrof, loss clerk at its Western department office, special agent for Kansas and Nebraska, to succeed Frank Mauritizius.

—Harold L. Morris recently acquired the interest of Mr. Blumenthal in the Denver (Col.) agency firm of the Wilson-Blumenthal Agency Company. The firm is now known as Wilson & Morris.

—Frank Mauritizius, of the Fire Association of Philadelphia, has been appointed State agent of the New York Underwriters Agency for Missouri outside of St. Louis. His headquarters will be in Kansas City.

—The Indiana Association of Underwriters will continue its organization after laying down its jurisdiction over rates, with the organization of the Sellers' rating bureau, which latter expects to be ready for business by December 1.

—W. E. Gunn of Chicago, who was formerly connected with various Lloyds organizations now defunct in managerial capacities, has become the underwriter of the New State Fire of Oklahoma and the Western Fire and Marine of Oklahoma.

—The Minnesota Retail Implement Dealers Association has obtained control of the Minnesota Mutual Fire of St. Paul. The association had decided to organize a mutual, but found that it could acquire the Minnesota Mutual, and hence took it rather than establish a new concern.

—The Minneapolis agency of Otto Tollefson, secretary of the Northwestern Fire and Marine, Chadbourn & Braden and Geo. I. Gorham, now assistant secretary of the Northwestern Fire and Marine, have consolidated under the style of the Gorham-Braden Company. They represent a strong list of companies, including the Camden Fire, New Brunswick, Capital, State, National of Allegheny, Glens Falls, Northwestern Fire and Marine, New Amsterdam Casualty Company and New York Plate Glass.

THE SOUTH.

—The North Carolina Home of Raleigh, N. C., has been admitted to South Carolina.

—The Delaware Fire of Dover has entered Louisiana, and appointed Irwin & Griffin of New Orleans its State agents.

—A branch of the Underwriters Salvage Corps has been established at Atlanta, Ga., with George M. Campbell as manager. The advisory committee will be

S. Y. Tupper, chairman; George J. Dexter, Dan B. Harris, A. B. Andrews, C. F. Hard, W. L. Reynolds, Lawrence Haynes, F. O. Hawkins and Frank Stockdell.

—The West Virginia situation is in a fair way of settlement. A meeting was held in New York city on Tuesday, when questions of jurisdiction and a flat advance in rates were discussed.

—D. G. Morgan, West Virginia State agent of the Firemans Fund, has resigned as of November 1. The West Virginia agents will now report direct to Chas. W. Kellogg of Boston, Eastern department manager of the company.

—Conservative underwriters in Texas declare that complete demoralization exists in that State by reason of the scramble of certain companies which were hard hit by the San Francisco disaster, to secure a premium income at all hazards.

MISCELLANEOUS FIRE NEWS.

Fire Insurance Companies' Stocks.

Below are presented recent quotations for stocks of fire insurance companies:
At New York: Commonwealth, 150 bid; Continental, 1300 bid, 1500 asked; Empire City, offered at 120; Fidelity, 310-340; German Alliance, 200-260; German-American, 500-520; Germania, 200-300; Greenwich, 180 bid; Hanover, 145-155; Home, 485-500; Nassau, 125-200; New York, 10-20; Niagara, 250-300; North River, 150-200; Pacific, 90-140; Peter Cooper, 180 asked; Phenix, 290-310; Stuyvesant, 100 asked; United States, 100 asked; Westchester, 400-450; Williamsburgh City, 400-450.

At Newark, N. J.: American, 550 bid; Firemens, 350 bid; Newark, 240 bid.

At Philadelphia: Insurance Company of North America, sale, 23.

VARIOUS ITEMS.

—The Delaware Fire of Dover has been admitted to Utah.

—The Westchester Fire leaves the Pacific Coast general agency of Edward E. Potter.

—The Delaware Fire of Dover, Del., has entered Washington, appointing Hanford & De Veuve of Seattle its State agents.

—G. S. Minty, for the past twelve years with the Western of Toronto, has been appointed inspector of the Rochester German for the Dominion of Canada.

—The San Francisco Grand Jury is reported as having indicted two policyholders of the Firemans Fund for felony in presenting fraudulent proofs of loss to the company. It appears that they swore to a claim of \$2850 insurance on horses and wagons which were shown to have been saved and sold.

—The adjustment staff of the London and Lancashire and the Orient at San Francisco has been disbanded, as the remaining claims against the companies are few and can be handled by the companies' officials. These two companies have paid in round figures nearly \$8,000,000, or about ninety per cent of their aggregate liability.

—According to advices from San Francisco, a cablegram to the German National Bank says that policyholders' representatives who have visited the home offices of the Transatlantic, North German and Austrian Phoenix have been emphatically told that the officers of the companies decline to make or entertain any proposition to settle San Francisco losses.

—The Pacific Marine Insurance Company has been organized at Vancouver, B. C., with an authorized capital of \$1,000,000. Ten thousand shares have been placed on the market at a premium of \$10, each share selling for \$110. The officers are: A. C. Plummergelt, president; W. C. Nichol, W. H. Armstrong, vice-presidents; L. H. Wright, managing director; W. L. Germaine of the British Columbia Trust Company, treasurer and acting secretary.

—The Home of New York has paid San Francisco losses up to date of about \$2,800,000. Its reinsurance was \$759,696; the average percentage of salvage, even where there was any material allowance in case of proved earthquake damage, is very slight. The company has some outstanding claims against other companies for reinsurance. President Snow is of opinion that the net loss in the end will be within \$2,000,000, the Home's original estimate of its net liability in San Francisco.

—An intervening petition has been filed by a number of the San Francisco loss claimants of the Traders of Chicago in the receivership proceedings, asking that the statutes of California be enforced against the stockholders. This is an effort to enforce the California statute making the liability of a stockholder in a corporation unlimited. There is also a summons to bring the balance of the stockholders into court, the receivership proceedings having been begun by only a majority of the stockholders.

TOO LATE FOR CLASSIFICATION.

—V. D. Cliff has resigned as secretary and general manager of the United States Health and Accident of Saginaw, Mich., to devote his time to the Federal Casualty Company, recently organized by him at Detroit.

—Pennsylvania life agents propose concerted action toward securing the repeal of the Armstrong laws which affect commissions. The agents declare that under the new schedule of commissions it will be almost impossible for them to earn a living.

Casualty, Surety and Miscellaneous

Life Casualty and Miscellaneous Insurance Stocks.

During October the following quotations have been received on casualty and miscellaneous insurance stocks. Bond and Mortgage Guaranty 390 bid, 394 asked; Empire State Surety 170 asked; Kings County Mortgage 95 bid, 105 asked; Lawyers Title 280 bid, 285 asked; Metropolitan Surety 145 bid, 150 asked; Peoples Surety 130 bid, 140 asked; U. S. Title Guaranty and Trust 100 bid, 105 asked; Home Title 200 bid; Title Guaranty and Trust 590 bid, 610 asked; Prudential Insurance Company of America 390 bid; Louisville Title 99 bid, 100 asked; Fidelity and Deposit 134 bid, 138 asked; American Surety, par \$50, 180 bid, 185 asked; Lawyers Mortgage 185 bid, 190 asked; National Surety 170 bid, 200 asked; New York Life Insurance and Trust 1000 bid, 1020 asked; Title Insurance Company of New York 172½ bid, 180 asked; Pacific Mutual Life 180 bid, 210 asked; Title Guaranty and Trust of Los Angeles 159 bid; Union Trust and Title of Los Angeles 52 bid. A parcel of Maryland Casualty stock (par 25) was sold at 59.

Casualty Notes.

—The New Amsterdam Casualty Company has entered Arizona and Nevada.

—The Standard Life and Accident has increased its capital from \$250,000 to \$500,000.

—Manager Clark of the plate glass department of the Pennsylvania Casualty is increasing the company's agency force in Illinois.

—The National Casualty Company has entered Maine, Minnesota, North Dakota and Texas, and will establish resident managers in each State.

—President Robert B. Armstrong of the Casualty Company of America, who has been suffering for some time with typhoid fever, is now able to be at his office.

—C. M. Sharp, formerly associate manager of the Northwestern department of the American Credit Indemnity Company, has been appointed superintendent of agencies.

—The Ocean Accident has secured a very desirable connection with George D. Markham & Co. of St. Louis, to handle, as general agents, all lines in Eastern Missouri and several counties in Illinois.

—E. A. Grant, general agent of the American Credit Indemnity Company at Pittsburg, has been transferred to Chicago, as manager. L. C. Voss of the Chicago office will succeed him at Pittsburg.

—W. H. Markham & Co. of the Century building, St. Louis, have been appointed by the Ocean Accident and Guarantee, general agents for all lines. Wall & Whittemore, the corporation's former general agents in St. Louis, will continue to represent it.

—Nelson D. Sterling has been appointed manager of the plate glass department of the Aetna Indemnity. Mr. Sterling is a plate glass underwriter of wide experience and has been with the Lloyds Plate Glass Insurance Company in this city where he was directly connected with the underwriting department.

—E. G. Laughton Anderson, organizer, and for thirty-seven years chief secretary of the London Guarantee and Accident Company, Ltd., retired from active duty on October 31. He will, however, retain his connection with the board of directors in an advisory capacity. Mr. Anderson has displayed marked ability in his conduct of the "London's" affairs, as is witnessed by its excellent financial condition. Mr. Anderson will be succeeded by Sidney L. Anderson, his son, and Wm. R. Strong, as joint secretaries.

Surety Notes.

—It is said that Schuylkill county, Pennsylvania, has lost about \$75,000 through lax methods of tax collectors. Unless the shortages are made good by the collectors, proceedings will be started against their bondsmen.

—The county commissioners of Pottawatomie county, Oklahoma, have instructed the county attorney to bring suit against Sheriff W. A. Grace and the National Surety, which is on his bond for \$5000. Grace declares that all the shortages reported can be accounted for.

—Corporate surety bonds are now being accepted on construction work in the District of Columbia. Heretofore it was necessary for a contractor to deposit cash or a certified check, and many contractors

refused to bid on District work because it tied up their capital. The beneficial effects of competition were therefore lost, to a large extent.

—Walter A. Mason has resigned as treasurer and as chairman of the executive committee of the United Surety Company. Mr. Mason is president of the Commercial and Farmers National Bank and cannot give the United Surety as much of his time as its business demands.

—Lee F. Barber, district manager of the National Casualty Company at Elgin, Ill., has been elected second vice-president of the Bankers Mutual Casualty of Minneapolis. John A. Barry, general agent for the National Casualty at Elgin, has been appointed assistant secretary of the Bankers mutual.

—The commissioners of Garfield county have brought suits against John B. Linden, former county treasurer, and the United States Fidelity and Guaranty, his surety, one for \$3849 and the other for \$3662. The alleged shortages are made up of a large number of small items, distributed over Linden's two terms as treasurer. During Linden's second term the territorial legislature extended his term of office from January 1 to October 1, 1903. His bond covered the usual term, without any similar extension, and was not renewed at any time during the year 1903. It appears, therefore, as he was without bond during the last nine months of his incumbency, that his sureties would not be responsible for any defalcations during that period.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Baltimore Fire Insurance Company, Baltimore, Md.

Receiver William C. Pennington of the Baltimore Fire, which retired, owing to the Baltimore conflagration, has a plot of ground at the corner of South and Water streets, which is on the market. It will sell for about \$20,000, and will add materially to the 58 per cent heretofore turned over to the creditors.

British Union Assurance Society, Ltd., London, England.

In connection with the compulsory liquidation of this concern (previously announced), the official receiver intends to apply to the court for an order for the public examination of some of the parties who had been prominently associated with it. It has been proposed to transfer its business to a new company—the British United Assurance Corporation, Ltd.—but the official receiver is opposing the sale, and the application to the court for its confirmation has been adjourned.

British United Assurance Corporation, Ltd., London, Eng.

It was proposed to form a company under this title to take over the business of the British Union Assurance Society (which wrote some surplus line business in the United States, but which is now in compulsory liquidation), the Islands Insurance Company, Ltd., and the Empire Provident Federation, Ltd., but the application to the court to confirm the sale of the British Union's business has been adjourned, and the official receiver is opposing same.

Donau Austrian Insurance Company, Vienna, Austria.

This company is interested in American risks by reinsurance of admitted companies. Its losses by the San Francisco conflagration are estimated at from \$60,000 to \$80,000. On January 1, 1905, its capital was \$400,000, and its assets in its fire, transport and glass branches amounted to \$1,875,138. It also had over \$4,000,000 of assets applicable to other branches. The company was established in 1867.

Firemens Insurance Company, Baltimore, Md.

This company retired from business owing to the Baltimore conflagration, and in the final settlement of its affairs a further dividend of from 5 to 10 per cent will be paid. One cause of delay in the case of this company is the failure to sell its lot in the old burned district, which has been on the market for some time without finding a purchaser. The Firemens has paid up to date 55 per cent.

German Union Fire Insurance Company, Baltimore, Md.

Herman Knollenberg, ex-secretary of the German-American Fire of Baltimore; F. Schleunes, Jr., and Grant Stockman are organizing a new fire company to be known as the German Union Fire Insurance Company. The new company will have a capital stock of \$200,000 and a surplus of \$100,000. Mr. Knollenberg will manage the company. In addition to the organization committee, the following have consented to serve as directors: W. Spilman, C. L. Hilgortner, August Reinle, F. Boehmer, W. Schluderling, H. Bunnecke and Charles Morton.

Home Fire Insurance Company, Baltimore, Md.

The first payment of the Home Fire after it went into the hands of a receiver consequent to the Baltimore conflagration was 70 per cent and another payment of not more than 10 per cent will be final.

Insurance Company of the State of Pennsylvania, Philadelphia, Pa.

As of September 1, 1906, a financial statement of this company shows: Assets, \$838,741; capital, \$200,000; liabilities, \$388,848; surplus as to policyholders, \$449,893; net surplus, \$249,893; losses paid since organization, \$17,675,724.

Lynn Merchants and Manufacturers Mutual Fire Insurance Company, Lynn, Mass.

At a recent meeting of representative business men of Lynn, the Lynn Merchants and Manufacturers Mutual Fire was organized, with a guarantee capital of \$100,000 and a surplus of \$25,000. Patrick B. Magrane was elected president; John W. Thomas, vice-president; Clifton Colburne, treasurer, and John H. Madden, secretary. The new company expects to be ready for business shortly, and will be represented in Boston by R. S. Hoffman & Co.

National British and Irish Millers Insurance Company, Ltd., London, England.

About April 1, 1906, the old company of this name was succeeded by a new one bearing the same title, the authorized capital being increased to £500,000, in 100,000 shares of £5 each. On June 30, 1906, the balance sheet showed that £307,625 of stock had been issued, and the call of £1 per share thereon had yielded £58,026 (the £3499 then unpaid by stockholders was subsequently collected by the company). The premium income during the year was £15,639; total income, £16,662; losses, £2977; commissions and expenses, £5526; profits distributed under reconstruction agreement, £6350. The purchase of the old company's business cost about £17,088.

National Union Fire Insurance Company, Pittsburg.

This company announces the completion of the payment of an assessment of 140 per cent on the capital stock, equaling \$1,050,000. The amount paid in will provide the necessary funds for the payment of the company's San Francisco claims and add materially to its financial strength.

Northwestern Fire and Marine Insurance Company, Minneapolis.

This company's statement as of September 1, 1906, shows assets amounting to \$557,978; reinsurance reserve, \$155,905; San Francisco loss reserve, \$90,234; net surplus, \$83,854. It has been voted to increase its capital to \$300,000 and its surplus to \$200,000. It will enter Illinois, Indiana, Ohio, Michigan, Missouri and probably New York after January 1. Geo. I. Gorham has been appointed assistant secretary.

Old Town Fire Insurance Company, Baltimore, Md.

The Old Town Fire has made two payments since it went into the hands of a receiver, as a result of the Baltimore conflagration, of 55 and 20 per cent, respectively. The date of final adjustment is not known.

Pannonia Hungarian Reinsurance Company, Budapesth, Hungary

This company, formed in 1861, is interested by reinsurance in American risks, and lost \$10,000 to \$20,000 by the San Francisco conflagration. Its assets January 1, 1905, aggregated \$1,203,470, with a capital of \$240,000, a profit reserve of \$200,000, and a profit balance of \$32,054.

Peabody Fire Insurance Company, Baltimore, Md.

Richard B. Post, receiver of the Peabody Fire, which went out of business owing to the Baltimore conflagration, expects to realize a final payment of from 3 to 4 per cent. The company has already paid 30 per cent. There are a few matters of reinsurance, return premiums, etc., to be adjusted before the receiver will be able to clean up.

Security Insurance Company, New Haven, Conn.

At a recent meeting of the stockholders of the Security of New Haven it was voted to reduce the par value of shares from \$40 to \$25 and issue 7500 new shares of stock, thus adding \$300,000 to the company's present net surplus. The new issue has already been subscribed.

Securities Reinsurance Company, Vienna, Austria.

This company, which was organized in 1865, carried some reinsurance on American risks, and was involved by the San Francisco conflagration to the extent of from \$100,000 to \$140,000. On January 1, 1905, it had \$623,703 of assets, with \$240,000 of capital.

Toledo Fire and Marine Insurance Company, Sandusky, Ohio.

This company reports a net surplus as of September 30, 1906, amounting to \$27,783, after deducting 30 per cent from all uncollected premiums and placing same on a net basis. It is stated that its net losses from July 31 to September 30 will not exceed \$15,000 to \$16,000, and that the receipts are sufficient to stand losses of \$7000 to \$8000 per month, and still increase surplus.

Winona Fire Insurance Company, Minneapolis, Minn.

The Winona Fire of Minneapolis will shortly increase its capital to \$200,000 and enter the States of New York, Illinois, Pennsylvania, Ohio and Massachusetts. It will do its business direct with the insured and appoint no agents in the new territory.

San Francisco Losses of Austrian Insurance Companies.

The Austrian Government has given out the following statement regarding the San Francisco losses by Austrian insurance companies:

First Bohemian Reinsurance Company, 3,000,000 k. (\$600,000 to \$700,000).
Austrian Phoenix Insurance Company, 1,500,000 to 1,750,000 k. (\$300,000 to \$350,000).

Vienna Reinsurance Company, 1,200,000 to 1,400,000 k. (\$240,000 to \$280,000)
Providentia in Vienna, 500,000 to 700,000 k. (\$100,000 to \$140,000).
Securitas in Vienna, 500,000 to 700,000 k. (\$100,000 to \$140,000).
Austrian Insurance Company, "Donau," 300,000 to 400,000 k. (\$60,000 to \$80,000).
Riunione Adriatica di Sicurtà, 100,000 to 150,000 k. (\$20,000 to \$30,000).
First Hungarian Insurance Company, 100,000 to 150,000 k. (\$20,000 to \$30,000).
Fonciere in Budapest, 100,000 to 125,000 k. (\$20,000 to \$25,000).
International Reinsurance Company, 100,000 to 125,000 k. (\$20,000 to \$25,000).
Pannonia in Budapest, 50,000 to 100,000 k. (\$10,000 to \$20,000).

The Austrian Phoenix was the only one of these companies regularly licensed in the United States, and that company was only licensed in California. The others were chiefly involved by way of reinsurance.

Agency Wants.

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WM. D. DENNEY, Secy.

THE DELAWARE FIRE INSURANCE CO OF DOVER, DEL.

Capital, \$200,000.00

This Company has only \$17,250 involved in the San Francisco conflagration.

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THURSDAY, NOV. 8, 1906.

No. 19.

UNJUST DISCRIMINATION AMONG FIRE COMPANIES.

THE most threatening phase of the outcome of the pernicious grouping of fire insurance companies into classes incidental to the paying of San Francisco losses, is the marked tendency exhibited by those carrying heavy lines of insurance to closely scrutinize all their fire insurance policies in order that no company, whose name happened to be listed in the so-called "six-bit" or "welcher" lists, might secure lines on their plants. Numerous instances have been brought to our notice within the past month where propertyowners have given distinct orders to brokers controlling their lines not to place any portion of the risk with certain companies, although as a matter of fact the companies thus discriminated against may have paid much more under their policy contracts in San Francisco than they would have been required to pay under a strictly equitable and unbiased legal interpretation of their liability.

The insuring public outside of San Francisco does not appear to realize the extent to which local sentiment overruled equity in the settlement of claims arising from the conflagration. Practically every potential jurymen in San Francisco was a sufferer to a greater or lesser extent by the disaster and would naturally sympathize strongly with claimants; hence, as the fire insurance companies were estopped by the terms of the State laws from carrying their cases to the Federal courts, those which might have desired to contest claims in the courts of the State deemed such action useless.

The Times of London commenting particularly upon class "B" companies, that is, those whose settlements are said to have ranged from seventy-five cents on the dollar upward, says:

While we can understand that the majority of the British companies felt it better to pay most claims in full at once because they believed that, contracts or no contracts, law or no law, the California courts would give them no protection, yet our sympathies are with those who have at least made a stand against extortion. These offices have, we are assured, paid all proper claims in full, and have, on the average, paid considerably more than seventy-five per cent (more nearly ninety per cent) of the sums insured under their policies; they have, in fact, saved no more in salvages and by inquiries than many of those offices which have been placed in class A.

Coming down to a final analysis it appears that practically

all companies which were able to pay their losses, including those which had to call upon their stockholders for funds, pursued the policy of settling each loss on its individual merits; the so-called "dollar for dollar" companies probably paying their claimants considerably more than they were in equity entitled to, whereas the so-called "six-bitters" paid their policyholders more nearly on a basis of strict liability, though, if the truth could be known, probably much in excess of their actual indebtedness under the terms of their contracts.

IT is remarkable the degree of indifference that the average policyholder in a life insurance company maintains toward the company and its management. He takes his policy, does not read it carefully, puts it away and pays no further attention to the matter except to pay premiums as they become due. If he were making an investment in real estate or purchasing stock in an industrial enterprise, he would watch it with the utmost care, to make certain that he was getting full returns for his money, and that the management was in the hands of careful, prudent men, who would protect his interests. But the holder of a life insurance policy takes little or no trouble to ascertain how the company in which he is insured is conducted. An officer of a mutual company located in a nearby city says that they have found it impossible to get together a corporal's guard at their annual meetings, when reports of the officers are read, new directors elected, and a general review of the work done is presented and plans for the future are considered. Notices are sent regularly of such meetings to every policyholder, and all are urged to be present, but in vain, and the meetings are held in the presence of the directors, the officers and an occasional outsider. It is not the fault of the companies if policyholders do not attend the annual meetings or participate in the election of directors, for the date of such meetings is duly advertised. It is not surprising, therefore, that those directly interested in the management continue in control from year to year. This would probably be the case in any event, but the policyholders should exercise their right to vote, and to know what is being done by those to whom they give their confidence. As long as the management of a company is satisfactory it would be poor policy, if not suicidal, to make any change for the mere gratification of a desire for change, for experienced, trustworthy and capable men are difficult to find. Unless a board of directors and the officers of a company have been recreant to their duties, they should be continued in office.

BALLOTS for the new boards of trustees for the Mutual and New York Life are being received by the companies in goodly numbers. Whether these ballots are cast for the administration ticket or the policyholders committee ticket it is impossible to determine, for all are contained in envelopes as prescribed by law and are identical in appearance. In addition to the ballots, numerous proxies are being received, and regarding these there is likely to be some question as to their validity. The law provides that any proxy executed prior to the eighteenth day of October shall be void. The International Policyholders Committee sent out blanks

for proxies sometime before that date, and it is believed that many of these were promptly executed and sent to the persons designated to receive proxies. Of course, any votes cast under the authority of such too previous proxies will be thrown out by the inspectors of the elections. It is claimed that ballots sent in previous to October 18 are also invalid, but the law is silent upon this point. The international committee, early last month, sent out circulars with what purported to be the official administration and committee tickets printed side by side, but the administration ticket had a heavy cancellation cross printed over it, leaving the committees' ticket open and undefaced. These ballots are invalid, as they do not conform to the requirements of the law, and, of course, will be rejected. The International Policyholders Committee has apparently resorted to the cheap tricks and devices to deceive policyholders that have become common in ordinary political elections. The companies have adhered strictly to the letter of the law, sending out the ballots of the committee side by side with the administration tickets, with full instructions to the voter how to have them recorded, whether he votes in person, by mail or by proxy. It is currently reported that Wall street interests are backing the policyholders committee in its fight to oust the present management of the two companies named. The great activity of the managers of the committee, and the heavy outlay of money they are making, indicates that some interest expects to reap large benefits from the success of the anti-administration ticket, and Wall street speculators have long looked with envious eyes upon the millions of dollars held by the insurance companies. If they could get control of these assets they could afford to reward Untermyer, Scrugham and others of the policyholders committee liberally for their services in bringing it about. It can be taken for granted that the persons named are not working for either love or philanthropy.

MUCH interest is being shown just now in the elections that are in progress for trustees of the Mutual and the New York Life. The International Policyholders Committee is making a vigorous fight against the "administration tickets," put forth, as required by law, by the present management of the companies. Opposition tickets have been nominated by the committee, and policyholders are being deluged with requests for their votes. Advocates for one and the other are sending out literature of various kinds championing their cause, and as a result a large vote is anticipated. The polls will remain open until December 18, when the votes will be canvassed under the supervision of the Superintendent of Insurance. Policyholders are sending in their ballots at present quite rapidly, but there is nothing on them to indicate whether they are "Administration" or "Committee" ballots. The supposition is that the opponents of the "Administration" ticket are likely to file their ballots while the denunciatory circulars, etc., are fresh in their minds, while supporters of the "Administration" ticket will continue to be heard from up to the last day. The companies have the advantage in the canvass by reason of the fact that they have many agents in the field who have a personal interest in keeping those they have insured in sympathy with the company and will keep up their efforts to secure their votes for the "administration"

ticket. The opposition is extremely active, however, and is using every effort to influence policyholders to vote their way. They ask that the men of experience, who have been instrumental in placing these companies at the head of the life insurance organizations throughout the world, and accumulating the vast sums included in their assets, shall be pushed aside, and men having little or no knowledge of the business placed in charge. The homely axiom of President Lincoln to the effect that "it is no time to swap horses when crossing a stream" is especially applicable in the choice of trustees for these two great institutions, in the success of which every policyholder has a personal and pecuniary interest.

THE first sample of the legislative crop of 1906-1907, a valued policy measure which has been introduced in the Vermont Legislature, does not inspire fire underwriters with a desire for more. As there will be forty or more State legislatures in session during the next few months, and more or less antagonism to fire insurance interests will doubtless have been awakened by the rant and the unfair classifications of the yellow journals, great vigilance and activity, combined with convincing argument, will be needed to prevent the enactment of unjust and oppressive laws. If local agents will co-operate with each other and with company officials in opposition to obnoxious bills, and exert their influence with their customers and members of legislatures in the formation of correct opinions, they may accomplish much for the good of the business.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

There is an undercurrent of opposition sentiment among the companies to some of the drastic suggestions about reorganization and amalgamation of the Board and Exchange which are credited to the committee on economies. In reality, this committee has not yet made any report, and all the work thus far is preliminary and subject to change. The newspaper reports that the committee has concluded to ask counsel and advice from the manager are speculative and premature. The opposition appears to be directed against any change in the two organizations at present. There are several points in the by-laws of the Board and the Exchange agreement which seem to make the claim that the work of the two bodies can be so formed or reconstructed according to the dictum of a "joint committee with power." This is the substance of the opposition to the work in hand.

Another monthly bulletin from the Exchange has made its appearance, giving this time a list of policies canceled during October for non-payment of premium. There are forty-nine policies of this class debited to brokers who do not hold licenses, which is a slight reduction from the average for the year. There is one notable case of a Brooklyn policy for \$150,000, covering property Nos. 3 to 11 State street, among the cancellations, together with five others of \$20,000 each, one of \$15,000 and eight of \$10,000, with a long list of \$5,000 items. It is perfectly plain that the companies are being beaten out of their premiums every month for a large sum and, as one secretary lately said, "the honest premium payers not only have to pay the losses by fire, but the losses of income by bad debts."

Recently we have given particulars of the insurance fund experience of several important railroad corporations. The latest one out is the report of the Southern Railway, which shows that the corporation

paid out for the fiscal year for premiums \$286,760, but we fail to find any figures for losses collected. Possibly there were none, and the companies which received the fat premiums may have credited the whole sum to profit account.

Offers have been made in this city of policies in the Lloyds of London upon automobiles at two per cent, with some very liberal clauses not usually granted by the regular companies. These offers have the ear-marks of a Chicago firm of brokers who have arrangements to bind. But the particular clause provokes a smile from brokers in this city is one which reads, "Loss if any payable in American funds in Chicago."

After several weeks of unexplained delay, the rate cards on the new McCreery risk, on Thirty-fourth street, were placed in the cabinets on the 1st inst., as follows: Building, .205, and contents, 76 cents, both subject to ten per cent deduction for fireproof schedule. The net rate on building actually paid is .1845; and as the stock policies carry a full coinsurance clause, the deductions are ten and ten, leaving a net rate of .6156. The sprinkler allowance is 47½ per cent. It strikes old-timers that these rates are pretty low for a dry goods department store, even of fireproof construction.

Managers' rulings in lieu of arbitration committee decision and direct rules of the Exchange are occasionally criticised and have been a sore spot with many offices, who contend that the managers' interpretation of the rules are not provided for in the agreement. If the long-drawn-out work of the joint committee is ever ended, it might be a good plan to define the duties of the manager more sharply and fix the responsibility of rulings more definitely, or take it from the manager entirely.

The suspicion that one of the West India steamers with \$2,500,000 in gold on board was in trouble on the ocean a fortnight ago, was happily relieved by the safe arrival of the vessel in port. The marine offices grant very low rates upon specie shipments by the regular lines, but are chary of the same favors to small steamers making stormy voyages in the stormy season.

Henry C. Zaro of 80 Second avenue has been appointed branch manager of the Northwestern National of Milwaukee.

BOSTON AND VICINITY.

Following the action of the New England Insurance Exchange, repealing the emergency rate of twenty cents per \$100 following the San Francisco disaster, it is believed that the Boston Board of Fire Underwriters will shortly make a reduction in local rates. It is pointed out that the mutual companies have been securing a good proportion of the new business at the expense of the stock companies. It is stated, also, that some other companies have taken away some business. The advocates of the reduction say that Boston has been a profitable field, for the companies, during the past year, and that they can well afford to make the reduction.

The Boston Board of Fire Underwriters has voted to accept the report of its tariff committee, recommending the removal of the twenty-five per cent advance, made several years ago—from those risks on which the said advance has not been canceled.

The following nominations for officers of the Boston Board of Fire Underwriters for the ensuing year have been made: President, George P. Field; secretary and treasurer, Osborne Howes. Executive Committee—Walter B. Henderson, Geo. O. Russell, Edward D. Blake, Edward C. Brush, C. H. J. Kimball, Edmund Winchester.

Arthur R. Graham, late with the Boston Insurance Company, has been appointed New England special agent of the Dutchess and the Teutonia.

Kaler & Carney have been appointed Boston agents of the Union of Buffalo.

On the 7th inst., G. R. Rogers celebrated the fifty-second anniversary of his connection with the Mercantile Fire and Marine of Boston. Mr. Rogers is now a director of the company and chairman of the finance committee.

President Cram and Vice-President Campbell, of the Royal Exchange of St. Louis, which reinsured the business of the Mercantile Fire and Marine Insurance Company of Boston, following the San

Francisco disaster, are in Boston for the purpose of determining the amount of the assessment to be levied on the stockholders of the Mercantile. The company recently reduced its capital from \$400,000 to \$200,000, and will accumulate an adequate surplus.

NOTES FROM PHILADELPHIA.

Notwithstanding the condition of the fire-fighting apparatus, the Philadelphia Fire Underwriters Association has written the Philadelphia Board of Trade that, instead of raising insurance rates on account of the report of the Committee of Twenty of the National Board of Fire Underwriters, as some business men predicted they would, they are ready to reduce them when the suggestions of the chief of the bureau of water for improving conditions in the "conflagration district" are carried out.

Clarence A. Krouse, formerly with the American Fire, who recently opened an office in Philadelphia for suburban and New Jersey business, has opened a branch office in Camden, N. J., with J. Lukens Anderson in charge.

William R. Gardy, who died suddenly last week, had for many years been connected with the United Firemens as inspector and adjuster.

The regular annual meeting of the Philadelphia Fire Underwriters Association will be held in the meeting rooms of the Underwriters Association of the Middle Department, 316 Walnut street, on Wednesday next, at 2 o'clock P. M.

Henry C. Wilson, a well-known broker, who was formerly cashier of the agency of William Arrott, and for several years past in charge of the building of the National Fire of Hartford in this city, was stricken with apoplexy in his office on Tuesday of last week and died the same day.

At auction last week, Fire Association stock was bid up from \$300 to \$330 without a sale, \$335 being asked. The new stock of the company was recently issued at \$300 per share. Six shares of Girard Fire and Marine stock sold at \$300 per share.

Frank M. MacDonough, a member of the firm of Platt, Yungman & Co., died on Saturday last. Mr. MacDonough was very popular, and although he was known to be ill with typhoid fever it was also thought that his condition on Friday indicated a speedy recovery.

J. Howard Brown & Co. have been appointed agents of the Mechanics of this city for Philadelphia and vicinity.

The General Adjustant Bureau last week announced the establishment of its Philadelphia office from November 1 in the Manhattan building, southeast corner Fourth and Walnut, and that its business here has been placed in charge of W. J. Greer as general manager.

THE MIDDLE STATES.

Changes in the Old Firm of Geo. H. Smith & Hicks.

This old New York firm was dissolved by the death of W. L. Molyneux, on September 21, the senior partner, Geo. H. Smith, then retiring. The firm has been reorganized under the old name for the continuance of its important business by Joseph L. White, the oldest remaining partner, associating with himself Oscar F. Dean, who was taken into the firm about a year ago, Oscar F. Burke and Capt. Allen H. Dumont. Mr. Burke and Capt. Dumont have been connected with the marine department of the Home Insurance Company for over fifteen years. Geo. H. Smith & Hicks now represent the inland and coastwise marine departments of the Home Insurance Company of New York and the Mannheim Marine Insurance Company. The firm will continue to transact insurance on marine, inland and transit risks, including hulls and cargoes, also doing a fire insurance brokerage business.

The senior member of the present firm, Joseph L. White, is in the prime of life, being forty-six years of age, and has been connected with this firm for twenty-five years. With his broad experience and upright character, combined with the excellent qualifications of his associates, there is no doubt that the firm will keep well abreast of the times and be as successful in the future as the old firm has been in the past.

—Smith Agnew has been appointed Pittsburg agent of the Shawnee Fire, succeeding William F. Gardner & Son.

—William A. Wait of Glens Falls, N. Y., for forty-five years cashier of the

National Bank of Glens Falls, and for thirty-three years a director of the Glens Falls Insurance Company, is dead.

—The Dubuque Fire and Marine of Iowa has, through its Eastern manager at Syracuse, N. Y., Robert R. Tuttle, discontinued the few agencies that were not strictly abiding by local board rules and rates. Mr. Tuttle has been New York and Pennsylvania general agent for the Capital Fire of Concord, N. H., for five years, and was last week given the New England Underwriters for the same territory, the officers of the Capital Fire thereby attesting their satisfaction with Mr. Tuttle's management. The same general agency represents the German National of Chicago for New York State outside of the metropolitan district. Mr. Tuttle has 700 agents reporting to his office, and gives each of his companies more than \$100,000 net premiums per annum.

THE WEST.

Ohio Observations.

[FROM OUR OWN CORRESPONDENT.]

The fight between The Commercial Advertising Company and the Gates Company, both of Cleveland, for the placing of the insurance advertising in this State is growing rather warm. The former agrees to place the business in all the counties in which a company operates for a lump sum. Formerly, so much for each paper has been charged. Each advertising agency is said to have control of certain counties in which the other cannot place business except at the full legal rate. Although through the offer to place it for a lump sum, the agency will necessarily lose money on the counties from which it is shut out of a commission, it expects to make it up in others and still be able to make a little profit.

Superintendent of Insurance A. I. Vorys evidently expects all companies to make out their tax returns correctly, and if they do not he will see that they are corrected. Mr. Vorys, however, says that he believes the companies are perfectly honest in the returns they make, but that they may make mistakes, errors being probable in such a mass of computations as they are compelled to go through. For the purpose of verifying statements, he will send two examiners to the head offices of the companies and to the principal branch offices of foreign companies operating in the State. He has had this in mind ever since he has been in office, he says, but his men have never had the time to do it. Up to this time the tax has been computed on the returns made by the companies without verification of any kind.

The two field clubs and the Ohio Fire Prevention Association will hold their regular meeting at the Hartman Hotel in Columbus on the first Tuesday in November. The meeting of the latter will be interesting on account of the reports of work done during the present quarter. It is also possible that some of the faithful workers will register a kick because members in general give so little attention to the inspections that are made in some town or city every month. They feel that all should give at least one day a month to a work that promises so much good for the business as a whole. They also believe that the companies should insist upon their field men taking part in the work.

According to reports from agents, the application of the Dean schedule in Cleveland will result in a much better insurance town. Owners of buildings have begun to see the point and many of them will make improvements that will bring their insurance tax and that of their tenants down to a satisfactory figure. So far as new buildings are concerned, they will be kept within the regulation of the inspection bureau, and from the underwriter's standpoint will be made as good as possible. In all probability the completion of the high-pressure system will be the means of many more buildings being equipped with sprinklers.

From present prospects there is danger of a break among Cleveland agents at any time. They are greatly dissatisfied with the steep advances that have been made in the congested district, and because they have been required to submit to any advance at all, while agents of most other cities are doing business at the old rates. Toledo agents are said to have refused to use the new rates; Cincinnati has not taken them up as yet, and Columbus agents are howling over the promulgation of new figures in a portion of the business district. Predictions are being freely made that the advance will never be general.

Fire Chief George Wallace of Cleveland has filed with Mayor Johnson a reply to the criticisms of the department by the engineers of the National Board of Fire Underwriters, in which he denies all the accusations made. He claims that the fire department is efficient and able to cope with the most dangerous blazes. That the tower is used only occasionally shows that the men go where the fire is, he says, and do not stand on the streets and throw water in a haphazard manner. The rules are stringent, he says, and the infractions few. Plenty of horses are used to the heavy apparatus to insure prompt responses. Harry A.

Bowen, chief electrician, says that not a single alarm was missed or incorrectly handled from February 1 to August 15 of this year, although more than 1000 calls were received.

J. E. Sawhill has been appointed agent of the Hamilton Fire for Cleveland and Cuyahoga county.

Cleveland, November 3.

O. M. C.

"Outrageous Insurance Rates."

[TO THE EDITOR OF THE SPECTATOR.]

The Lincoln (Neb.) News gnashes its teeth and howls wildly because "it is stated that fire insurance rates on a number of risks in this city are to be given another boost, and that in some cases the advance has already been made." It further asserts that "The News has shown conclusively that there is absolutely no excuse for advancing insurance rates in this city at the present time"; also, that "during the last year the companies took from Nebraska about two million dollars more than they paid out here and still they are clamoring for more." If The News can prove this latter assertion, to the satisfaction of the companies which ought to have the money in hand, if the statement is correct, there is little doubt that they would be glad to continue doing business at the old rates. But let us examine the real conditions. Eliminating from consideration the business of the Nebraska companies, which, we presume, The News does not accuse of taking money "from Nebraska," we figure the account for 1905 to have been somewhat as follows:

Premiums received (ninety-four companies).....	\$2,069,816
Expenditures in Nebraska:	
Commissions and miscellaneous, 25 per cent..	\$517,454
Losses incurred	1,282,556
Insurance Department fees.....	12,000
Fire department taxes.....	20,700
Local taxes	31,047
	1,863,757

Net amount "taken from Nebraska".....	\$206,059
Disposition of this sum:	
Necessary increase in legal reserve.....	\$86,000
Head office expenses, 5 per cent.....	103,000
	189,000

Approximate profit (8-10 of 1 per cent).....	\$17,059
--	----------

If the publisher of The News should be required by law to report for taxation his net income, we do not imagine that he would forget to deduct from his gross income his expenditures for rent, salaries, paper, ink, paste, repairs, etc., and return his gross receipts as representing profit; yet he is so unfair to the insurance companies as to say that they "took from Nebraska about two million dollars more than they paid out here," when their total premium receipts barely exceeded two million dollars, and their net receipts in Nebraska were hardly more than \$200,000. Again, The News says: "There have been no serious conflagrations here;" the implication being that every city should be responsible for its own fire losses. If this theory should be put in practice, when would be the proper time for the companies to collect the total value of the insured property, which, in event of a conflagration, they might be called upon to pay? Prudence answers, "In advance." But The News would not acquiesce in this, for it objects to paying the present rates. After the conflagration has occurred would doubtless suit The News better; but would the people be in position to repay the companies, even within a few years? It would take the underwriting profits of a century in San Francisco to reimburse the insurance companies for the amount of losses paid there during the past six months. In short, the theory of such ranters as The News is totally false; the stability and usefulness of insurance depends upon the contributions of the many to meet the losses suffered by the few, and does not contemplate the prior or subsequent imposition upon heavy losers of the full amount of their losses. Insurance is co-operative in its nature; by its agency the misfortunes of individuals are distributed over the entire nation; and the institutions by which this beneficent work is accomplished, and which, in emergencies, are bound to contribute many million dollars of their own capital, for the payment of losses, are justly entitled to a reasonable remuneration for the tremendous risks which they assume.

MANAGERS.

New York, October 27.

—The Western of Pittsburg is making preparations to enter Nebraska.

—Rehm Brothers of Indianapolis have been appointed agents of the Dixie Fire.

—The Toledo Fire and Marine of Sandusky, O., has been admitted to Illinois.

—The Firemens Fund has received its license to operate in Ohio. The company is now licensed in all the States of the Union.

—John J. Brandon, Marion county manager of the German Fire of Indianapolis, has been promoted to special agency work in Indiana.

—J. C. Barrows & Co. of St. Louis, Mo., have added a general fire insurance department to their casualty and surety lines. Judging from the firm's success

in the casualty and surety business during the past eighteen years, this office may be expected to become an important factor among the local fire insurance offices in St. Louis.

—Samuel Elgin of Sterling, Ill., was recently convicted of arson, on a charge of burning a creamery operated by him on leased ground. The plant was insured in the Glens Falls and the Continental.

—R. W. Hosmer of Chicago, who recently returned from San Francisco, announces that he will not serve as president of the Illinois Association of Local Fire Insurance Agents, to which position he was elected at the annual meeting.

—J. L. Whitlock of Chicago, Western department manager of the Glens Falls, completed twenty-five years of service in that capacity on November 1. Mr. Whitlock holds the enviable record of having made a profit for his company each year.

—The Western Millers Mutual Fire of Kansas City, which has been in the syndicate of mutuals headed by E. E. Perry's companies at Indianapolis, has retired from that combination and will cancel off all factory business and reinsurance, devoting its holdings solely to flour mills and elevators.

—The Individual Fire Underwriters of St. Louis reports frequent inquiries from new brokers for authorizations on high-grade lines, which previously did not require outside insurance, due, no doubt, to the effects of the San Francisco conflagration. As W. H. Markham & Co., the attorneys, have special arrangements permitting them to bind London Lloyds for equal lines with the Individual Fire Underwriters, their facilities for handling an increasing volume of true surplus business are excellent. Definite information as to every risk, regarding total insurance carried, and list of ten or more represented companies, are required, and a warranty must be included. One reason for the popularity of the Underwriters' policies is its practice of paying all losses on the day proofs are received.

THE SOUTH.

—The Jefferson Fire is entering Alabama through Hughs & Yates of Atlanta, Ga.

—The Atlantic Fire of Raleigh, N. C., has decided to assess its stockholders twenty per cent to provide a surplus fund of \$25,000.

—The Dixie Fire of Greensboro, N. C., has appointed I. W. Rockey, former superintendent of agencies for the Traders of Chicago, its assistant secretary.

—R. L. Pollard, Texas special agent of the Atlanta Birmingham, has been elected to succeed R. N. Hughs as secretary of the above-named company, and also of the Prudential of Tazewell.

—A committee, composed of S. Y. Tupper, chairman; C. C. Fleming, F. C. Calkins and Thomas Peters, has been appointed by the South-Eastern Tariff Association to prepare a history of the organization on the occasion of its twenty-fifth anniversary, which takes place next year.

—At a recent meeting in New York city between the executive committee of the West Virginia Fire Underwriters Association and the committees of the Western and Eastern Unions, a unanimous decision was reached in favor of rescinding the West Virginia rate advance, so far as it had been made to apply.

—F. Geddings, formerly special agent of the Queen for Louisiana and Mississippi, has been transferred to the Atlanta office of the company and will assist the management in the underwriting department, under the title of agency secretary. R. S. Rust, Jr., has been appointed to succeed F. Geddings as special agent for Louisiana and Mississippi, with headquarters at New Orleans.

MISCELLANEOUS FIRE NEWS.

The Bed-Bug Hazard.

It is not often that the bed-bug fire hazard is given the attention it apparently deserves, but the illuminating discussion of this subject by State Fire Marshal D. S. Creamer of Ohio demonstrates the importance of this hazard, and conveys much interesting information as to the habits of the festive bug. In broaching the subject, Mr. Creamer says:

The bed bug being a factor in the fire loss, the Fire Marshal must intrude upon the secrets of the home and the sanctity of its bedchamber sufficiently to warn against the dangerous methods used to embarrass, discourage, persecute or destroy this friend that sticketh closer than a lover.

After telling of the dangers of scattering gasoline about and then lighting a match to pursue the chase, Mr. Creamer lapses into poesy, thus:

The mosquito sings his prey to sleep,
And then he takes a bite.
The bed bug crawls from head to feet,
And grazes all the night.

Holding that knowledge of the habits of the insect is essential to its suppression, Mr. Creamer states that "the bed bug, climax lectularius, belongs to the cimicidae family," and with this introduction proceeds to tell its characteristics. That "the bed bug has no wings at all" has not always been true; they were lost by disuse. Mr. Creamer says that, During last summer the explosions, resulting from the pursuing with

gasoline the bug that gets there, fired sixteen houses, burned five persons dangerously and four fatally, including two children who were helping mamma. Moral: Gasoline should be handled with care.

Mr. Creamer recommends a combination of one ounce each of corrosive sublimate and chloride of ammonia in a pint of wood alcohol. This is applied with a brush to all cracks in the infested bed or room. The alcohol evaporates leaving the poisonous crystals on the wood. The liquid, however, is dangerous stuff to have about.

Where Fire Insurance Dividends Come From.

It has been a favorite contention among those given to criticising fire insurance rates that the dividends paid to stockholders of fire insurance companies evidenced improper and exorbitant charges for indemnity. In the light of the facts shown in the accompanying table, demonstrating, as they do, that 66 millionaire companies' investment earnings not only paid their aggregate dividends in the last decade, but contributed over \$29,000,000 to make up deficiencies in the underwriting account or to strengthen surplus funds, the contention referred to is shown to have practically no foundation. As a matter of fact, the underwriting operations of the bulk of the companies have resulted in serious net losses in several years of the last decade, and have yielded a very small percentage of profit for the entire period. This ten-years' profit has already been paid out several times over for losses due to the great conflagration at San Francisco in April last.

NAME AND LOCATION OF COMPANY-	Income Other Than Premiums 1896-1905 Inclusive.	Dividends Paid 1896-1905 Inclusive.	Excess of Investment Income Over Dividends.
Aetna, Hartford	\$5,400,679	\$6,980,000	— \$1,579,321
Agricultural, Watertown	961,255	500,075	461,180
American, Newark	1,758,470	720,987	1,037,483
American Fire, Philadelphia.....	1,202,123	305,000	897,123
American Central, St. Louis.....	1,120,826	845,000	275,826
Assurance Co. of America, N. Y.*...	221,429	129,456	91,973
Boston, Boston	1,348,513	1,110,000	238,513
Buffalo German, Buffalo	916,631	570,000	346,631
Camden Fire, Camden.....	293,458	174,945	118,513
Commonwealth, New York.....	473,502	345,000	128,502
Concordia, Milwaukee	385,928	152,000	233,928
Connecticut, Hartford	1,680,847	1,040,000	640,847
Continental, New York.....	5,548,117	2,673,685	2,874,432
County Fire, Philadelphia	401,456	240,000	161,456
Delaware, Philadelphia	667,669	316,313	351,356
Detroit F. and M., Detroit.....	728,447	495,000	233,447
Eagle Fire, New York.....	949,609	1,146,386	— 196,777
Equitable F. and M., Providence....	368,916	249,500	119,416
Federal, Jersey City*.....	255,739	200,000	55,739
Fire Association, Philadelphia	2,756,117	2,000,000	756,117
Firemans Fund, San Francisco.....	1,902,964	1,200,000	702,964
Firemens, Newark	1,331,488	968,024	363,464
Franklin, Philadelphia	921,511	850,411	71,100
Georgia Home, Columbus	612,314	414,000	198,314
German, Freeport	1,675,710	500,000	1,175,710
German Alliance, New York*.....	370,286	168,000	202,286
German-American, New York.....	3,831,946	3,275,000	556,946
Germania Fire, New York.....	1,816,910	1,510,000	306,910
German National, Chicago*.....	161,977	.....	161,977
Girard F. and M., Philadelphia.....	903,459	655,500	247,959
Glens Falls, Glens Falls.....	1,808,780	730,000	1,078,780
Globe and Rutgers, New York.....	514,775	228,000	286,775
Hanover Fire, New York.....	1,479,568	880,000	599,568
Hartford Fire, Hartford	4,252,248	4,243,028	9,220
Home, New York	6,229,842	3,750,300	2,479,542
Home F. and M., San Francisco....	530,280	360,000	170,280
Ins. Co. of North America, Phila....	4,223,750	3,599,970	623,780
Lumbermens, Philadelphia	572,053	250,000	322,053
Mechanics, Philadelphia	392,656	200,071	192,585
Michigan F. and M., Detroit.....	414,344	260,000	154,344
Milwaukee Mechanics, Milwaukee...	1,136,053	800,000	336,053
National Fire, Hartford	2,151,059	1,180,000	971,059
National Union, Pittsburg*	293,450	.....	293,450
New Hampshire, Manchester.....	1,484,481	945,000	539,481
Niagara Fire, New York.....	1,667,430	670,198	997,232
North River, New York.....	516,208	269,052	247,156
Northwestern National, Milwaukee..	1,272,124	801,000	471,124
Orient, Hartford	875,834	615,000	260,834
Pennsylvania Fire, Philadelphia.....	2,154,418	980,000	1,174,418
Petersburg Sav. and Ins., Petersburg	1,114,468	206,000	908,468
Phenix, Brooklyn	2,178,614	1,050,000	1,128,614
Phenix, Hartford	2,393,867	2,725,000	— 331,133
Providence Washington, Providence.	822,677	459,000	363,677
Queen, New York	1,643,121	1,450,000	193,121
Reliance, Philadelphia	401,822	195,000	206,822
Rochester German, Rochester.....	546,082	210,000	336,082
Security, New Haven	437,002	217,000	220,002
Spring Garden, Philadelphia	623,471	272,000	351,471
Springfield F. and M., Springfield...	1,985,074	1,700,000	285,074
St. Paul F. and M., St. Paul.....	1,327,320	500,000	827,320
Sun, New Orleans	392,243	487,053	— 94,810
Traders, Chicago	1,266,244	500,000	766,244
United Firemens, Philadelphia.....	692,455	300,000	392,455
Virginia F. and M., Richmond.....	429,476	200,057	229,419
Westchester, New York.....	1,323,084	450,000	873,084
Williamsburgh City, Brooklyn.....	842,928	616,000	226,928
Totals	\$91,357,627	\$62,033,011	\$29,324,616

* Company in business less than ten years. — Excess of dividends over investment income.

Twenty-One Years of Fire and Marine Insurance by States.

Below will be found a summary of the premiums received and the losses incurred by the fire and marine insurance companies transacting business in the respective States and in Canada, together with ratios of losses to premiums in the twenty-one-year period, 1885 to 1905, inclusive.

STATE.	Premiums Received.	Losses Incurred.	Ratio of Losses to Premiums.
	\$	\$	%
Alabama	28,113,921	14,605,358	51.9
Alaska (all business)	1,118,011	215,977	19.3
Arizona	3,666,499	2,233,459	60.9
Arkansas	20,138,683	11,825,590	58.7
California	155,191,834	72,013,530	46.4
Dakota (four years)	4,621,443	1,913,424	41.4
Colorado	24,161,450	15,626,121	45.7
Connecticut	54,469,461	25,687,782	47.1
Delaware	5,959,621	3,257,025	54.6
District of Columbia	9,111,790	3,525,103	38.6
Florida	14,727,830	11,387,150	77.3
Georgia	43,795,020	24,920,374	51.0
Hawaii (eight years)	2,012,756	730,040	36.2
Idaho	4,300,695	2,543,534	59.1
Illinois	280,756,209	142,656,414	50.8
Indiana	76,595,928	41,948,506	54.7
Indian Territory (all business)	5,308,620	2,641,325	49.7
Iowa	92,801,239	44,697,031	48.1
Kansas	48,401,701	25,945,829	53.6
Kentucky	57,528,897	35,246,063	61.2
Louisiana	66,381,225	33,536,528	50.5
Maine	38,883,701	23,343,748	60.0
Maryland	47,388,582	55,415,795	117.0
Massachusetts	252,507,645	124,282,676	49.1
Michigan	105,691,101	58,270,912	55.1
Minnesota	91,154,489	49,142,187	53.9
Mississippi	18,137,752	11,407,154	62.8
Missouri	108,088,438	62,847,163	58.1
Montana	14,520,187	6,279,729	43.2
Nebraska	41,297,595	18,573,262	44.9
Nevada	2,337,031	865,697	37.0
New Hampshire	24,464,562	12,308,700	50.2
New Jersey	90,574,731	51,104,816	56.4
New Mexico	3,890,205	1,936,398	49.7
New York	591,796,185	344,087,734	58.1
North Carolina	21,077,349	11,235,125	53.3
North Dakota (seventeen years)	11,833,967	7,719,882	65.2
Ohio	171,383,465	100,828,917	58.8
Oklahoma (fifteen years)	6,296,772	2,350,703	37.3
Oregon	23,818,533	10,528,670	44.1
Pennsylvania	268,036,359	149,545,326	55.7
Philippine Islands (four years)	33,286	10,248	30.7
Porto Rico (four years)	29,462	1,995	6.7
Rhode Island	84,273,521	20,298,366	24.0
South Carolina	14,711,946	8,388,725	57.0
South Dakota (seventeen years)	9,819,662	4,268,477	43.4
Tennessee	43,079,794	29,497,165	68.4
Texas	85,858,382	49,661,689	57.8
Utah	6,801,248	3,038,413	44.6
Vermont	14,888,463	9,937,704	66.7
Virginia	38,832,934	21,691,120	55.8
Washington	20,356,058	15,380,959	50.6
West Virginia	12,878,150	6,767,828	52.5
Wisconsin	93,711,866	50,046,951	53.4
Wyoming	2,834,509	983,154	34.6
Totals (United States)	3,385,486,852	1,845,362,566	54.5
Canada	181,266,980	114,063,870	62.9
Totals (United States and Canada)	3,566,753,832	1,959,426,436	54.9

—The Dixie Fire has been admitted to New Hampshire.

—Funds of the German of Freeport in Louisiana are reported to have been attached by San Francisco loss claimants.

—George F. Penfield, formerly secretary of the Insurance Company of the State of Illinois, has located at Oakland, Cal., as an independent adjuster.

—The National Union Fire of Pittsburg, which suspended business in California last July, but without formally retiring from the State, may decide to resume operations there in the near future.

—Edward O. Hughes, for many years special agent and adjuster at San Francisco, and until recently a resident of Berkeley, has been committed to the asylum at Stockton, having become deranged owing to overwork from adjusting fire losses in San Francisco since the disaster.

—Among the rumors which are current among fire underwriters are the following: That the American of Boston is to be put upon its feet again; that a well-known Western company, if unsuccessful in rehabilitating its finances, will re-insure in a leading British company; that the stockholders of a very prominent American company, who have already paid in a large sum to cover its San Francisco losses, will be called upon for more funds; that its president will retire, and that another important change will be made in its business methods.

Acknowledgments.

—Bests Insurance Reports (life) is a new volume published by the Best Reporting Company, covering details of all life insurance companies and statistics of assessment and fraternal orders.

—Annual report of the Insurance Department of the Comptroller-General's office of Georgia, showing detailed statements of all insurance companies operating in that State as of December 31, 1905.

LIFE INSURANCE TOPICS

BOSTON AND VICINITY.

The North American Accident Insurance Company of Chicago has been admitted to Massachusetts. W. D. Bell will represent the company's interests here.

Next week Thursday, the Life Underwriters Association of Central Massachusetts will hold its first fall meeting. Among the prominent speakers will be President De Boer, of the National Life of Vermont, and ex-Attorney-General Parker of Massachusetts.

Supreme Auditor A. T. Turner succeeds the late W. O. Robson as supreme secretary of the Royal Arcanum, and W. F. McConnell of New York, a member of the board of trustees for the supreme body, succeeds Mr. Turner as supreme auditor.

NOTES FROM PHILADELPHIA.

The Maryland Life having decided to aggressively seek a larger share of the business written in this field, has appointed W. Arthur Blackford, a nephew of the president of the company, to be Eastern Pennsylvania district superintendent, with headquarters in this city. Agents will shortly be appointed in the principal towns in the territory.

The latest reports regarding the efforts of the Philadelphia Board of Burglary Underwriters to bring about a harmonious understanding between all the companies writing that class of business in this city, do not seem to carry out the rosy view of the success of the movement which some of the agents have entertained. It is not believed that the committee appointed to bring about some sort of an understanding with the companies not affiliated with the board have been meeting with much encouragement from that quarter, and it does not seem likely that the membership of the board will be materially increased in the near future.

At auction last week, eight shares of stock of the Philadelphia Life brought \$20 per share, and fifteen shares sold at 19½ per share.

It is reported that the Philadelphia Casualty Company, after its seven years' growth, has nearly reached the millionaire class, and it is confidently predicted that by January 1, 1907, it will have attained assets of \$1,000,000 or more.

THE WEST.

Indiana Investigation.

The investigating committee which was appointed to enquire into affairs of the Indiana State Auditor's office has made its report. Contrary to the original intention of the committee, the scope of the work finally broadened until it became a general investigation of all the Indiana life companies, of which the State has fourteen. All the companies are reported to be solvent except the American Central, which is said to be \$13,120 short in its reserve. Generally speaking, the companies are accused of extravagant expenditures, paying excessive salaries and discriminating between policyholders by means of the "special contract." Agency companies are condemned in round terms and a detailed list of all the companies employing this method, and the agency companies with which they are affiliated is given. The State Life, it will be remembered, underwent a special examination some time ago and its practices were fully aired.

The report recommends the creation of a new department to be known as the Department of Insurance and Banking, with increased powers for examination into the affairs of companies. A new system of records and an entirely adequate equipment for taking care of the insurance business in Indiana is urged. The gain and loss exhibit is favored and a copy of all literature issued by the companies should be filed in the office of the Insurance Commissioner. The report also recommends that agents get their licenses from the State; that the penal code be extended to cover violations of the insurance laws; that there be more uniform laws and that publicity be made a feature. Discriminations and rebates should be abolished and many other reforms instituted. The report also urges the adoption of annual dividends; that companies writing participating business should not write non-participating; that expenses be limited. Other

subjects treated in the report are guarantee and promotion funds, elections of directors, direct company management, political contributions, lobbying, vouchers, revision of mortality tables, illegal policy loans. A complete investigation of assessment and fraternal concerns is asked for.

—Margaret Cox of Indianapolis, manager of the woman's department of the Massachusetts Mutual Life, died last week, after a long illness.

—The Western Mutual Life Insurance Company, which is being organized at Council Bluffs, Ia., by C. M. Atherton, has opened offices in the Merriam block.

—The Northern Life Insurance Company of Illinois, with headquarters in Chicago, has deposited \$100,000 with the State Auditor and was licensed on October 31.

—Agents in Oklahoma are advocating the election of the Insurance Commissioner by popular vote, making that official directly responsible to the people instead of to the Governor.

—The Western Union Life Insurance Company is being organized at Spokane, Wash., by A. L. McFarland, formerly with the Prudential. Offices have been taken in the Empire State Building.

—The report of the insurance investigating committee which has probed the different insurance corporations in Wisconsin has been filed with the Governor. The outline of the report has already been finished, and it is expected in many circles that the report in relation to certain companies operating in the State will be rather sensational.

MISCELLANEOUS LIFE NEWS.

Life Insurance Developments of the Week.

The executive committee of New Hampshire policyholders of the Mutual Life has issued a statement advocating support of the united policyholders ticket.

James McKeen, general solicitor for the Mutual Life, appeared on Tuesday at the criminal courts building in response to an order from District-Attorney Jerome to answer the charges made in the affidavits of Edward O. Sutton and T. Reid Fell, former general agents of the Mutual, that they were discharged because they would not support the administration ticket. The subject of advances to agents was gone into also, it having been charged that the Mutual and New York Life are supplying their agents with funds for campaigning and charging it to the account of "advances to agents." The companies contend that the new law prohibiting advances to agents does not become operative until January 1.

Russell W. Fish, secretary of the Mutual Life Policyholders Association, has issued a statement in which he says that the methods of the Mutual Life to secure support for its administration ticket has called forth such a protest that the Insurance Commissioners of a number of States will soon meet in New York to give the matter their attention.

Reau E. Folk, Insurance Commissioner of Tennessee, has summoned Geo. T. Dexter, vice-president of the Mutual Life, and E. R. Perkins, vice-president of the New York Life, to appear before him to-day in regard to the charges of coercion of agents. Many agents and managers of the two companies have also been summoned. A full meeting of the committee of fifteen of the State insurance officials has been called for November 12, at Chicago, when a report of Mr. Folk's examination will be rendered.

VARIOUS ITEMS.

—The Eastern Life Assurance Company of Virginia is being organized at Onancock to do an industrial business.

—A new assessment life company has been organized at Columbia, S. C., by G. W. Schell and J. N. Richardson. The Security Life is its name.

—Last week, H. W. St. John, actuary of the Aetna Life, delivered a special lecture on "Assessment Insurance," before the University of Minnesota.

—The Polytechnique Association of Paris announces a gratuitous course of instruction for adults in insurance finance commencing on Monday, November 5. The director of the course is M. A. Barriol. The course laid out embraces every branch of the insurance business.

—After January 1, 1907, the Travelers will write only non-participating policies. The new contracts will be known as the uniform premium contract with 3½ per cent guarantees, the premium reduction contract with 3½ per cent guarantees, and the premium reduction contract with 3 per cent guarantees. All three forms will be issued on the ordinary life, limited payment life and endowment plans, and will be made payable in one sum, or in instalments, on the principal and income bond or income bond plan. All new contracts will contain a disability clause.

—The Hartford Life has issued a circular letter regarding the suit pending against the company to recover the safety fund of \$1,000,000 belonging to the

safety fund department. It appears that the suit was brought by holders of but \$98,000 out of the \$40,000,000 of the old assessment business of the company. A statement has been secured from Insurance Commissioner Upson of Connecticut, in which he says: "The company is, of course, obligated by the terms of its contracts with its certificate holders to carry to maturity all its safety fund contracts, and has shown no disposition to avoid its obligations in that respect. Repeated examinations of the company, as required by statute, have been made by the Insurance Department, and these examinations have invariably shown the company to be in sound financial condition."

Casualty, Surety and Miscellaneous

Future of Liability Business.

[TO THE EDITOR OF THE SPECTATOR.]

My attention has been called to an article in your issue of October 11, upon the "Future of Liability Business," and particularly to the statement made that, "Doubtless some of the Insurance Departments will scrutinize the figures of the next annual returns and where the number of accidents reported falls below the normal of 18.1 per annum for \$1000 of premiums an investigation will follow."

One of the principal difficulties in dealing with the subject of liability insurance, as a whole, depends upon the fact that the underwriting programmes of companies may differ widely, and that any rule which is fairly applicable to one company may be entirely out of place as respects another company, and this would seem to be exemplified by the statement above quoted from your article, because I have caused a very careful examination into the experience of this company to be made and find that our average from the beginning of the company's experience to date has been only 10.33 accidents reported per thousand of premiums.

It would take me too far afield at this time to explain the reasons for this wide departure from what you have apparently looked upon as a fair minimum in the matter of ratio of accidents reported to premiums received, but we have no hesitation in stating that it depends entirely upon underwriting programme.

R. S. KEELOR.

Philadelphia, Pa., October 20.

The figures upon which our article of October 11 was based were taken from the liability experience for the ten years ended 1905 as reported to the Insurance Department of Massachusetts on October 1, 1905, and these figures are divided into two periods of five years each: 1896 to 1900 shows an average of 18.1 accidents reported per \$1000 of premium; 1900 to 1905 (which is only partially completed) shows 18.3 per \$1000. There is not one company showing less than 14, while the average is quite uniform. Under these circumstances the showing of the company represented by the writer of the above letter is probably due to a different basis being adopted.—Editor THE SPECTATOR.

Rumors Regarding United Surety.

Last week it was reported in Baltimore that New York interests were paying considerable attention to the United Surety Company, with a view to controlling it. Among those said to be most interested in this move are Charles M. Schwab and former Senator Anthony Higgins of Delaware. No denial was made that outside interests had been active in the company's affairs, but no information of a definite nature was given out. Agents of those who are said to be seeking control of the company have been examining the company's condition and prospects and the report has been circulated that an offer was made for the stock, which is close to \$100 a share, and \$50 a share as a surplus fund. If all the stock was paid in on this basis it would give the company \$500,000 capital and \$250,000 surplus. The present relationship of the Commercial and Farmers National Bank of Baltimore would make it a comparatively easy matter for that institution to secure control of the Surety Company. The bank and interests with which it is identified hold 2600 of the 5000 shares. President Hoffman of the Surety Company and Chas. W. Field, one of the directors, went to Washington last week to consult the Attorney-General in regard to the company. A director's meeting was held on October 30, which culminated in the resignation of President Hoffman and his subsequent reconsideration and withdrawal of his resignation. This meeting had been called to consider and readjust the valuation of the company's building at 15 South street, which has been considered excessive. The value of the building has been placed at \$235,000, and after the recent reorganization of the company it was ascertained that in the open market the building would bring about \$175,000. The Commercial and Farmers Bank, being largely in-

interested in the Surety Company, objected to the cutting down of the valuation, inasmuch as at the time the bank was in possession of the building it was carried on its books at \$263,000, the cost of construction. A vote on the proposition to keep the valuation of the building at \$235,000 was lost and the bank interests proposed a compromise at \$200,000, but President Hoffman insisted that \$175,000 should be the figure. A rather stormy time followed. The matter was put to a vote and the president and his supporters were defeated by one vote.

Frankfort Marine, Accident and Plate Glass Issues Industrial Policies.

The Frankfort has entered the industrial accident field by issuing three contracts, the "Regular Disability," "Superior Disability" and the "Workmen's Indemnity." The "Regular" provides for full indemnity for total disability from date of accident for twenty-four months; pays two-fifths of the indemnity for partial disability; specific amounts for accidental death and the usual proportionate benefits for loss of limb, hands, eye, etc.; one-half the principal sum for death by accident resulting from sunstroke, septicemia and hydrophobia; double benefits for travel accidents; insures the beneficiary; pays full illness benefits while confined to the house and under care of physician, and one-fifth benefits during convalescence while under care of physician; also one-fifth benefit for six months for chronic diseases contracted sixty days after policy goes into effect. Monthly benefits and principal sum are increased ten per cent annually for annual premium paid in advance. This policy costs \$1 a month for \$500 of insurance. The superior policy is similar to the regular, that it pays full indemnity for the time actually treated for illness whether the insured is confined to the house or not, and it costs \$1.25 a month for \$500 of insurance. The workmen's disability is a blanket policy and insures employees at a flat rate of \$1 a month each at a uniform benefit for all employees in the establishment, or each employee may receive benefits in accordance with the hazard of his occupation.

Ocean's New Policy.

As previously announced in THE SPECTATOR, the Ocean Accident has brought out a new "Triple Indemnity" policy which is rich in benefits and as free of restrictions as it is possible to make it. The contract provides for five per cent accumulation without the usual fifty per cent limitation. The beneficiary is insured; payment of death benefits under the beneficiary clause does not terminate the insurance, full benefits being payable under each provision separately. The policy also contains an agreement for the return of all premiums paid with four per cent compound interest and the payment of an investment indemnity every six years equal to six per cent. Weekly indemnity is increased fifty per cent if insured is confined to a hospital, and three times the single indemnity is paid for accidents of railway travel. A schedule of surgical fees and optional indemnities is included.

The Adjusters' Manual.

The Adjusters' Manual, for the settlement of accident and health claims, by C. H. Harbaugh, M. D., has been received from The Spectator Company, New York, sole selling agents. This manual is a convenient and practical hand-book for the adjustment of health and accident claims. It covers very fully the questions which are likely to arise and is very clear as regards the length of total disability, partial disability and the probable ultimate effects in case of the many forms of injury or sickness which it refers to. Dr. Harbaugh has had much experience in the settlement and adjustment of health and accident cases, and he speaks with the authority of one whose knowledge is drawn from experience. The book ought to have a very wide sale, because the information therein contained cannot, so far as we know, be found anywhere else in so nearly as compact a form. Dr. Harbaugh has rendered the business a distinct service in getting out this work.—The Philadelphia Intelligencer.

Keystone Bonding Opens New York Offices.

This week the Keystone Bonding Company, recently organized in Plattsburg with an authorized capital of \$500,000 and an agreed surplus of \$250,000, opened branch offices at 3 Park Row, this city. This new company has been authorized to write all classes of surety bonds in New York, and George Frank Sweeney, resident manager, and also resident vice-president, will have charge of the entire State. Mr. Sweeney is by no means a new man in the surety business and his connections in this city are thought to be ample assurance that he will control a valuable line of bonding business. John Beilman of Brooklyn, who has had a varied experience in the surety business, will be assistant New York State manager under Mr. Sweeney, and the firm of Beilman,

McKusker & Reister will have charge of the entire State for excise business, and Brooklyn and Long Island for surety business. J. A. McKusker will be in charge of the office at 215 Montague street, Brooklyn, and another branch to be located in the Eagle building. The excise business will be managed from 1 Madison avenue by A. C. Reister.

Casualty Notes.

—The Pacific Coast Casualty Company of San Francisco has entered Minnesota.

—The Peoria Health and Accident Association, organized in 1902 by Harry Easterly, has given up the ghost.

—Colonel Watkins of Chattanooga, Tenn., Southern counsel for the United States Casualty, was in town last week.

—A. E. Forrest, secretary and general manager of the North American Accident Company, is the proud father of a son and heir.

—The United States Casualty Company has engaged Henry W. Herrman as office manager at the home office. Mr. Herrman was formerly with the Travelers.

—Charles H. Church of Muncie, Ind., has prepared a plan to organize a company to insure bank deposits. Mr. Church is president of the Indiana Bankers Association.

—A rider is issued by several casualty companies, which, for an extra premium of from \$1 to \$2 a thousand, gives double indemnity in case of an accident received in an automobile.

—Henry Keenan, manager of the West Virginia Casualty Company of Clarksburg, W. Va., was elected secretary and general manager at the regular meeting of the board of directors held October 31.

—After examination the Nebraska Department has issued an unfavorable report on the Provident Accident Association. On October 1 the assets are said to have amounted to between nine and ten dollars.

—A prominent surety company advertises in another column for a special agent for road work, thoroughly familiar with burglary insurance lines; also for an experienced personal accident man for home office work.

—The damage case of Muir & Haughton against the General Accident Assurance Corporation of Scotland was called in the United States Circuit Court, located on the third floor of the Postoffice building, Philadelphia, November 5.

—According to the statement of a New York liability manager who has had exceptional opportunities for studying the automobile hazard, present rates for this class are about right and with proper selection this line ought to pay its own way.

—The Accident Edition of The Aetna, published by the Aetna Life Insurance Company, has appeared in an entirely new form with an attractive cover. This publication has undergone several changes since it originally appeared, and each new departure is characteristic of the progressive policy of those behind the Aetna Life.

—The New York branch of the burglary insurance department of the United Surety Company has been removed to 80 William street. W. A. Abbott, New York manager of the burglary department, is pushing this branch with characteristic enterprise. The surety department of this company is managed in New York by the well-known firm of Duer & Gillespie, 76 William street.

—The Fairview Casualty Company is being organized at Burlington, Vt. The capital is \$10,000, divided into 100 shares of \$100 each, with the privilege of increasing to \$250,000. The incorporators are: Henry H. Hickok and H. C. Gleason of Burlington; G. A. Edwards, J. H. Judkins and Alonzo Chase of Richmond. It is proposed to write all lines of casualty insurance.

—The Detroit Conference will meet at the Chicago Beach Hotel on November 14, 15 and 16. The following papers will be read: "The past, present and future," H. G. Alexander, Continental Casualty Company; "The doctor as a factor in health and accident insurance," Dr. W. J. Means, American Insurance Union; "The element of life insurance in accident insurance, and life insurance in connection with accident insurance," D. E. Stevens, Commonwealth Casualty Company; "Irresponsible and unreliable agents," F. R. Pitcher, United States Health and Accident Insurance Company.

Surety Notes.

—The Keystone Bonding Company of Philadelphia has opened its new office in Washington and has secured commodious quarters in the Home Life building, Fifteenth and G. streets. Louis A. Yost, formerly con-

nected with the register of wills office and of late years prominently identified with the surety business in Washington, D. C., has been appointed resident manager. Hon. Stuart McNamara, Assistant United States District-Attorney, will represent the Keystone in Washington as resident vice-president and counsel.

—Charles H. Lewis and Isaac Schlesinger of New York have both had to forfeit to the government \$12,500 cash bail which they put up as sureties for Charles E. Browne, a former customs examiner. Browne fled to Canada but was later extradited and sent to Sing Sing. After a brief incarceration Browne was released on habeas corpus proceedings and held in \$30,000 bail. Judge Ray decided in the United States Circuit Court that the bail of a fugitive from justice may be forfeited even though the principal in the case is later brought back to this country and admitted for the second time to bail.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Hamburg-Bremen Fire Insurance Company, Hamburg, Germany.

The Hamburg-Bremen Fire Insurance Company is not affected by the liquidation of the Hamburg-Bremen General Reinsurance Company, which has been announced in press dispatches. The reinsurances which the Hamburg-Bremen Fire had with the Hamburg-Bremen General Reinsurance Company are amply secured by special deposits. The Hamburg-Bremen Fire has already paid and disposed of \$2,800,000 of its San Francisco liabilities with funds sent direct from the home office. In addition, the Hamburg-Bremen Fire calculates that it has about \$1,200,000 of liability at San Francisco to be met, which can be easily taken care of, 45 per cent being covered by reinsurance in reinsurance companies, amply secured by special deposits.

Hamburg-Bremen General Reinsurance Company, Hamburg, Germany.

According to a dispatch from Berlin, the above-named company has gone into voluntary bankruptcy. It is said to have lost heavily through reinsurance by the San Francisco disaster, although it was not licensed in this country. The Hamburg-Bremen General Reinsurance should not be confused with the Hamburg-Bremen Fire Insurance Company.

Allemannia Fire Insurance Company, Pittsburg.

The directors of the Allemannia Fire are considering the advisability of increasing the company's capital stock from \$200,000 to \$400,000 by the issue of 4000 shares at \$75 a share. As the par value of the stock is \$50 per share, the sale of new stock would add \$100,000 to the company's surplus.

Atlanta Birmingham Fire Insurance Company, Birmingham.

The president of this company has been advised by Attorney Bush Finnell, who represents the Atlanta Birmingham in San Francisco, that most of the claimants would settle for 25 cents in cash and 15 cents in indorsed notes at six months. It is stated that the company wired back to the effect it could not better its offer, and that the notes will have to be accepted without guarantee. The policyholders were offered 25 cents in cash and 15 cents in notes, the notes to be payable in six months.

Eagle Fire Company, New York.

A special meeting of the stockholders of the Eagle Fire Company will be held on November 15 for the purpose of voting on a proposition to increase the capital stock of the company from \$300,000 to \$600,000; the new stock to be sold at \$60 per share, par value \$40. The stockholders will have the right to subscribe for the new stock pro rata, subscription privileges to be granted to stockholders of record November 15. Payment for the new stock is to be made on or before November 20.

German Fire Insurance Company, Pittsburg.

The board of directors of the German Fire of Pittsburg recently voted to increase the capital of the company from \$200,000 to \$300,000.

German Insurance Company, Freeport, Ill.

The German of Freeport proposes to increase its capital from \$200,000 to \$750,000 by issuing new stock at \$200 per share, thus adding \$550,000 to its surplus. Subscriptions to the proposed new stock, which, it is understood, are to be contingent upon the company's settling all its San Francisco losses at 60 per cent, are to be paid in two installments: December 1 and December 20.

Merchants Fire Association of America, Whiting, Ind.

This company claims to be authorized by the State of Pennsylvania. An inquiry addressed to Insurance Commissioner Martin of Pennsylvania elicited a reply denying this statement. The Insurance Commissioner states that the Merchants Fire Association of America has no authority to transact business in Pennsylvania. Some time ago the company registered as a foreign corporation with the Secretary of State of Pennsylvania, which act of registration, however, gave it no authority whatsoever to transact the business of insurance in the State.

Spring Garden Insurance Company, Philadelphia, Pa.

This company was recently examined by the Pennsylvania Insurance Department as of September 30, 1906, and shows admitted assets amounting to \$2,113,552, with a capital of \$400,000, a net surplus of \$109,064, and a surplus to policyholders of \$509,064. Its reserve against annual, term and perpetual policies aggregated \$1,287,476, and its reserve for losses under adjustment, etc., aggregated \$234,649. With one exception, the Spring Garden is the only Philadelphia fire insurance company which did not call upon its stockholders for money to make up its San Francisco fire losses. Despite the severe losses sustained in both the San Francisco and Baltimore conflagrations, the surplus of the Spring Garden is now within \$44,000 of what it was previous to the Baltimore conflagration. The progress made by the company this year is indicated by the fact that on January 1, 1906, it had a net surplus of about \$290,000, has since provided for abnormal losses amounting to over \$300,000, and now shows a net surplus exceeding \$109,000.

Transatlantic Fire Insurance Company, Hamburg.

Attorneys representing the Transatlantic's San Francisco policyholders have sent word from Germany that the Transatlantic's liabilities in San Francisco amount to \$6,400,000. Its reinsurance amounts to \$3,600,000, of which but \$1,000,000 is thought to be absolutely collectible. The attorneys furthermore report that the company is willing to turn over most of its assets to claimants, retaining only sufficient to continue business. Policyholders' representatives at San Francisco have advised the attorneys in Germany to accept fifty cents in cash and the balance in notes.

Walter H. Linforth, president of the Transatlantic Policyholders Association of San Francisco, recently received a detailed statement concerning the assets of the Transatlantic Fire. The capital stock of the company, according to this statement, amounts to \$1,500,000, the par value being \$375 per share, of which \$150 a share has actually been paid in. The remainder of the stock is represented by notes believed to be good and collectible. The available cash assets are estimated at \$2,000,000.

TOO LATE FOR CLASSIFICATION.

—Col. Le Gage Pratt, vice-president of the Mutual Benefit Life and candidate for Congress on the Democratic ticket, defeated the Republican nominee in the Eighth Congressional District of New Jersey by a large majority. The eighth district is a great Republican stronghold, which makes Mr. Pratt's victory all the more pronounced. His opponent was H. J. Gottlob, a prominent labor agitator of Newark, whom the Republicans refused to support. Mr. Pratt is well known to life insurance men, and bears an excellent reputation as an able, intelligent and "square" man.

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No. 20.

SAN FRANCISCO AND FIRE INSURANCE.

THERE appears to be a wide difference of opinion among fire underwriters of the Pacific Coast as to the advisability of incorporating in all policies a clause exempting the companies from liability for losses caused by earthquakes. A few companies had such clauses in their policies issued previous to the earthquake and conflagration in April last, and much litigation is promised to grow out of the claims made under them, the question as to what was earthquake damage and what was destruction by fire being one upon which there is great diversity of opinion. If the statements of some of the claimants and the local press are to be believed, there was no earthquake, but all damage was caused by fire. This tone has been somewhat moderated of late, and hundreds of claimants have been willing to admit that there really was an earthquake, and to compromise with the insuring companies on a more reasonable basis. The insurance companies have paid close on to \$175,000,000 for losses incurred on that occasion, and competent observers declare that many millions were paid for which the companies were not in fact liable. But public sentiment was in favor of the claimants, and the feeling was so intense that a resort to the courts would have unquestionably led to the defeat of the companies. A desire to treat the unfortunate victims of the great disaster with the utmost liberality induced the companies to make many payments upon scanty and insufficient proofs of loss, and, in many instances, in the face of fraud and perjury.

The situation caused company managers to inquire into the desirability of incorporating an earthquake exemption clause in all policies issued on the Pacific Coast. A committee was appointed to consider the matter, and it has been under discussion for some time without a definite conclusion having been announced. There is much opposition to the proposition even among underwriters, who maintain that the earthquake risk is so remote as to render it unnecessary to penalize propertyowners by increasing the cost of their insurance or compelling them to take all the risk themselves. The suggestion that a twenty per cent reduction in the rate charged should be made where the insured accepts the earthquake exemption clause meets with little favor. On the other hand, it is maintained that as scientists have declared

that an "earthquake belt" extends along the Pacific Coast, and that such earthquake movements are liable to occur at any time, the earthquake hazard is ever present, and that the companies, in justice to their other patrons, should protect themselves from it.

The discussion over the situation in its various aspects is interesting, but seems to be superfluous, for the California Legislature will soon be in session, and the subject of insurance is sure to occupy considerable of its time. Among the measures that will be introduced at an early date will undoubtedly be one providing a standard form of policy to be used by all companies doing business in that State, and this, it is quite sure, will not contain the earthquake exemption clause. Had the Legislature been in session immediately after the disaster, public sentiment would have demanded the most drastic legislation regarding fire insurance, but the liberal manner in which a majority of the companies have dealt with claimants has tended to ameliorate the almost universal antagonism they met with at first, and legislation will probably be less restrictive than was suggested two or three months ago. But there is no counting on any legislative body, and two or three malcontents are often allowed to have their way in any legislation affecting corporations. It would not take very much, however, to drive all the insurance companies out of the State. Their experience with California risks has been exceedingly costly, and if further burdensome restrictions or obligations are imposed upon them they will be quite likely to abandon the field altogether. This would be more of a hardship upon propertyowners than upon the companies, for the protection afforded by insurance was never more needed than at the present time, when San Francisco and other California cities are striving to rehabilitate themselves and to recover their position in the world of commerce and industry. Never was there given a more striking illustration of the value of insurance indemnity for losses incurred than in the prompt payment of nearly \$175,000,000 to the sufferers from double disasters seldom equaled in their destructiveness. But for this outpouring of insurance money, San Francisco would be wiped from the map, and there would remain but the charred ruins to show where once stood a great and prosperous city. Thanks, however, to the liberality of the insurance companies, San Francisco is enabled to reconstruct itself and to maintain its supremacy in the commercial world of the Pacific Coast. More than ever will its citizens need the protection of insurance, and such legislation as may be attempted this winter should be in the way of encouragement to the companies, and the repealing of restrictive laws now in existence, the removal of unjust taxation, and, in fact, leaving as free a field for insurance as is left to other great business enterprises. The companies have not only earned but they have paid roundly for the right to manage their business in their own way so long as public interests are not imperiled.

IT seems strange to read of fire insurance rate reductions being made in some cities, when, in many parts of the country—in fact, almost universally—the movement is toward higher rates, in order to repair the inroads made upon assets by the San Francisco conflagration, in addition to the normal

losses, and to provide sufficient funds wherewith to meet possible emergencies in future. The underwriters have, in some instances, promised reductions in recognition of certain public improvements, and they are in honor bound to keep their promises. The improvements are, or should be, effective in limiting losses, and should at least equal in value, in that way, the premiums thus rebated to the insured. However, if by reason of improvements a certain city is placed upon the same plane, as regards fire resistance and premium rates, that another city has previously occupied, and the latter has now been called upon to participate in the restoration of funds by means of increased rates, the recently improved city has no good reason to consider itself exempt from an advance to which other sections have been subjected. The allowance for improved local conditions, and the general additional charge to cover the conflagration losses and make provision for the future, are two separate and distinct movements, neither being dependent upon the other, and should be so recognized by intelligent citizens. Underwriters are therefore entirely justified in rating any city equitably, even though equity requires an advance in rates, for one good reason, closely following a reduction for another equally good reason. The companies should not be deterred from charging what the risks are worth, now, merely because in the recent past the same risks were not rated up to their present value, or by fear of public clamor; but the rating should be done by a system which not only is equitable, but may be demonstrated as being so, to the insured.

CONSIDERABLE curiosity is manifested in life insurance circles to know where Commissioners Folk and Prewett find their authority for inquiring into the purely administrative acts of the managers of the Mutual Life Insurance Company. President Peabody was summoned to explain why Mr. Hindman, general agent of the company, had been removed. Mr. Peabody responded in person, and stated, substantially, that Mr. Hindman had not given loyal support to the company in its efforts to secure the success of the administration nominees for trustees at the coming election next month. He took the ground that the managers of the company had, as required by law, named candidates for the board of trustees, and believed that the gentlemen so named were capable, responsible, and familiar with the affairs of the company. So believing, the management had asked all its representatives to aid in the election of these gentlemen. In selecting these candidates it was believed that the best interests of the policyholders would be served, and it was in their behalf that agents were requested to use their influence to secure their election. Several agents declined to become active in the matter, and two or three, including Mr. Hindman, permitted their names to be used on an opposition ticket. The agency committee of the company and the executive officers agreed that the agents refusing their allegiance should be removed, and five general agents were at once notified of the termination of their contracts. The general agents so removed had been long in the service of the company, were capable, intelligent and successful men, who gave the company large volumes of new business each year. Their removal or retention was purely an administrative mat-

ter, and while it might be a debatable question as to whether or not their removal at this juncture was good policy, it remains that the administrative officers were clearly within their rights in dealing with the matter as they did. It is certain that their action has provoked much hostile criticism that comes at a time when the company is receiving more criticism from other causes than it cares for, but this does not furnish a good reason for the interference of any State officials. If they propose to take the management of the company out of the hands of its duly elected officers there would seem to be no necessity for electing a new board of trustees. In enforcing the economies in conducting the business made imperative by the disclosures of the several investigating committees, the officers of the Mutual have dismissed many employees, including heads of departments, clerks, stenographers, etc., and it is possible that the Commissioners may question the right of the officers to have made such dismissals. If the Commissioners are going to assume the duties of administrative officers they should carry their work to its logical conclusion. A number of Commissioners during the past few months have not only assumed powers entirely at variance with their duties, but have gone so far as to take sides with one of the parties to a controversy involving the ins and the outs. It has always been supposed that a supervising official should keep aloof from any controversy, the ultimate outcome of which might come before him in a judicial capacity. He should be as impartial as a judge on the bench, giving due weight to the arguments on both sides, but when a partisan attitude is assumed there can be little faith felt in the unbiased determination of matters which come before him for adjudication. In the haste to correct abuses it is not necessary to condemn unheard those whose acts are to be considered in their aspect toward full compliance with all the requirements of the law.

RECENT developments in the case of a Western fire insurance company which operated under an old charter and claimed exemption from supervision by State authorities on that account, have served to emphasize the opinion we expressed some time ago, that a company which thus avoided the reasonable supervision of a State insurance department was not entitled to ask the confidence of the public. The company in question claimed large assets, which were subsequently found to be virtually valueless, and advertised a liberal cash balance in bank when, it is reported, its account was actually overdrawn. Any American fire insurance company which expects the public to entrust it with premiums should first comply with all the laws of the State in which it is domiciled, have its financial condition investigated by the State insurance official, and secure the latter's approval and license.

IN October last, the fire losses of the United States and Canada, as computed by The Journal of Commerce and Commercial Bulletin, exceeded those of the corresponding month in 1905 by more than \$1,600,000, and those of October, 1904, by more than \$1,000,000. The losses in the first ten months of each of the last three years are given as follows: 1906,

\$414,460,200; 1905, \$143,703,000; 1904, \$221,426,700. The aggregate loss for the last thirty-four months has been \$841,982,050—an average of nearly \$25,000,000 per month, or little short of \$1,000,000 per day of values absolutely obliterated. All propertyowners should do their utmost to stop this vast drain upon the resources of the countries named.

LIFE INSURANCE TOPICS

BOSTON AND VICINITY.

The recess committee of the legislature gave a hearing, Wednesday, upon the subject of savings bank insurance—allowing savings banks to do a life insurance business. Several persons of more or less prominence spoke in favor of the scheme, and none of the insurance men present thought it worth while to oppose it.

The fraternity deeply regrets the death of James D. Kent, with Chester & Hart, Boston. He stood very high in life insurance circles and in the estimation of all who knew him.

The Columbian National Life Insurance Company on Saturday last notified its entire agency force that after December 31, 1906, the offer or sale of stock in connection with the solicitation of insurance will be discontinued. By that date the company will have completed the sale of stock to policyholders, which has been a feature of its agency work and has given it many prominent men as stock policyholders throughout the country. This plan for securing a large volume of business from men interested in the company was original with the late William Butler Woodbridge when the Columbian National commenced business in 1902, but has since been widely copied with many variations, some of which treated it as a permanent feature, and not, as in the case of the Columbian, a method for securing initial capital from its early policyholders. The termination of this phase of its work marks an interesting phase in the widely discussed stock option method of securing business.

THE MIDDLE STATES.

Mutual Reserve Trial.

On motion of District-Attorney Jerome, Justice Greenbaum in the criminal branch of the Supreme Court has set the trial of Frederick A. Burnham, president; George D. Eldridge, vice-president, and George Burnham, Jr., secretary of the Mutual Reserve Life, for November 26. Assistant District-Attorney Nott will have charge of the prosecution and William Rand, Jr., formerly Mr. Jerome's first assistant, will represent the defendants.

A special panel of 100 talesmen will be formed, from which a jury will be drawn. The charges against the Mutual Reserve officers are forgery and grand larceny.

—After January 1, 1907, the Pittsburgh Life and Trust will write only annual dividend insurance.

—Geo. D. Mackay of New York has recently taken \$70,000 insurance in the Mutual Life, making his total insurance in this company \$100,000.

—The Home Life of New York has furnished its agents with samples of the new standard policies, which will be used by the company after January 1, 1907.

—Robert R. Dearden, editor of The United States Review, was elected last week to the Pennsylvania Legislature in one of the most prominent districts of Philadelphia.

—In line with the general raid being made against all forms of stock selling with life insurance, efforts are being made to compel the Philadelphia Life to give up this part of its plan. The Insurance Commissioner of Pennsylvania, David Martin, has stood up for the company, however, and declares that the plan is all right.

—The Canadian Underwriters Association has petitioned the Insurance Commission that the Canadian Legislature should not follow the recommendations of the Armstrong committee, and make radical changes in the insurance law. Argument was made for legislation against rebates, for maximum of publicity and minimum of legislation and utmost freedom for companies in the matter of investments.

THE NEW ENGLAND FIELD.

Hartford Life's Safety Fund.

Last week the Connecticut Department issued its report on the safety fund department of the Hartford Life. Clayton C. Hall, the Baltimore actuary, assisted in the examination, and in his finding he says of the investment in the two divisions:

Men's division shows total investments, 1880 to 1905, of \$2,860,639, and total receipts from sale and redemption of securities, \$1,747,253, leaving a net investment of \$1,113,386. The present market value of investments now held was found to be \$980,583, indicating a loss in twenty-six years of \$132,803.43. About \$50,000 of this apparent loss results from premiums paid on bonds purchased, which were subsequently redeemed at par or sold at a loss, and about \$63,000 from certain investments now held, but to which no value is attached as shown by the company's published statement of December 31, 1905. The balance, about \$20,000, is apparently due to miscellaneous depreciations on investments.

Women's division shows total investments, 1883 to 1905, of \$315,384.28, and total receipts from the sale and redemption of securities of \$181,344.55, leaving a net investment of \$134,039.73. The present market value of investments now held was found to be \$128,180.14, indicating a loss in twenty-three years of \$5,859.59.

The actuary admits that it is not in the province of the Insurance Department to discuss or criticize the theory on which the safety fund department is founded. Nevertheless, he evidently cannot resist the opportunity when he says:

"The theory of the safety fund system of the Hartford Life Insurance Company was based upon the assessment plan, the rate of assessment to be apportioned to the estimated mortality at the attained age of the policyholder. It was, of course, assumed, when the system was inaugurated, that it would go on forever. This assumption was not justified by the facts. In 1899 the defects in the theory of assessment insurance having been so far recognized by the community at large that it was no longer possible to conduct business upon that plan, the company discontinued issuing policies on the so-called 'safety fund' department. No new accessions of younger lives being received, the average age of the policyholders must necessarily increase, and as each individual grows older he will, year by year, be assessed according to a higher rate determined by his attained age, and the table printed on the policy he holds."

—Hon. William T. Cobb, Governor of Maine, has been elected to membership on the board of directors of the Union Mutual Life.

—Edward O. Sutton of Springfield, Mass., who recently resigned as general agent of the Mutual Life of New York, is now associated with E. M. Ellis of Springfield, general agent of the Massachusetts Mutual, under the firm name of Sutton & Ellis.

THE WEST.

American Central Life Insurance Company of Indianapolis.

The commission charged with investigating the life insurance companies of Indiana in their report went into the matter of deposits with the State, and through an unfortunate misinterpretation of figures presented in connection with the American Central Life of Indianapolis the erroneous statement was given publicity that the company was insolvent in the amount of \$13,120. As a matter of fact, the company has always had on hand at its home office ample funds in excess of its deposit with the State Auditor enabling it to bring that deposit up to the full reserve valuation whenever such a valuation should be made. In this connection the company makes the following lucid statement:

The committee appointed by the Governor of the State of Indiana to investigate the office of the Auditor of State of Indiana, and Indiana life insurance companies, reported that upon September 20, 1906, the American Central Life Insurance Company had on deposit with the Auditor of State securities amounting to \$1,259,575, and reported that upon a revaluation by the committee the reserve liability was \$1,276,438.

The company claims that upon September 20, 1906, it should have had credit for securities then on deposit with the Auditor of State amounting to over \$35,000 in excess of the valuation as made by the committee, and it also claims that the reserve was incorrectly computed by the committee, and when properly made will reduce the amount fixed by the committee in the sum of \$12,560, and, therefore, that the deposit has at all times been more than the legal requirements.

The company claims that it had no knowledge that a revaluation of the policies or of the securities on deposit with the Auditor of State was to be made, and that since the report was written it has increased its deposits by more than \$85,000, and that it now has on deposit with the Auditor of State more than \$100,000 in excess of the legal requirements.

The company claims that there never has been a time since its organization when it has not had securities on deposit with the Auditor of State largely in excess of its legal reserve liabilities.

The last annual statement of the company, as accepted by the present Insurance Department of the State of Indiana, shows it to have had admitted assets of \$1,503,208, of which \$229,143 was admitted surplus, with insurance in force of \$18,252,031.

The company reports that at present it has insurance in force of \$22,000,000, and that its assets are more than a quarter of a million dollars in excess of its liabilities.

During the past year the company has purchased a valuable office

building, situated on Monument Place, in which its home office is located, and its business is in a very prosperous condition.

From the foregoing it will be readily apparent that the American Central Life is not only solvent upon a valuation of its business taken at an unusual time of the year, but has maintained its policy of keeping its deposit with the State in excess of the legal requirements, and further that it has a handsome surplus over and above all liabilities. THE SPECTATOR regrets that, through the misinterpreted statement referred to, it unwittingly did the company an injustice by making a misleading publication and assures its readers that the same degree of confidence can be felt in the soundness of the American Central Life as heretofore.

Occidental Life Insurance Company of Los Angeles.

A number of well-known and influential men of the Pacific Coast have recently organized and started the Occidental Life Insurance Company, with headquarters at Los Angeles, Cal. A capital of \$200,000 has been paid in, together with a working surplus of \$50,000, and until the close of the current year the company will confine its operations to its home State. Policy forms are of the most modern kind and arrangements have been made to conduct the business on economical lines. The directors and officers of the company are men of wide business experience, capable of pushing the company's interests to the best possible advantage. Edwin H. Conger, recent minister to China and Ambassador to Mexico, is president; Joseph Burkhard, first vice-president; Seth A. Keeney, second vice-president (Mr. Keeney is also a director of the Prudential of Newark); W. H. Kramer, secretary; John W. Vaughn, treasurer; Benjamin E. Page, counsel; W. W. Hitchcock, medical director; Karl K. Kennedy, superintendent of agencies, and Henry W. Allstrom, actuary. A gratifying amount of new business has already been secured and the success of the company seems to be assured.

New Laws Proposed in Wisconsin.

The special insurance committee of the Wisconsin Legislature has issued an authoritative statement making the following recommendations which will be sent to the Governor for presentation to the legislature:

A recommendation that all insurance policies written in Wisconsin shall contain a clause providing for an automatic protection from the reserve of the premium, and that as long as a policy carries any reserve such reserve must be used to protect the premium and thus prevent the insurance from lapsing.

A limit on the amount that may be expended for new business. This limit is likely to be considerably lower than that fixed by the Armstrong committee in New York.

A recommendation that all elections of trustees of insurance companies shall be by ballot and that proxy votes shall not be allowed, ballots to be accepted by mail or by personal deposit at the home office prior to a prescribed hour on election day.

Provision for standard form of forfeiture agreement in case of default on policy loans.

Provision that lists of policyholders must be furnished to any policyholder on application, thus giving opportunity for any policyholder to initiate a canvass of all policyholders at time of election.

Fixing maximum surrender charges to be made by a company in case of the surrender of a policy on a settlement prior to the settlement period named in such policy.

Recommending a law compelling annual distribution of dividends.

Providing for more complete and detail reports by insurance companies to the State Insurance Department. Reports must be free from technicalities so that the ordinary policyholder can understand on investigation how the business of the company is being conducted.

Recommendation for legislation under which the ownership of stock companies may be definitely settled, showing whether the ownership lies in the stockholders or in the policyholders.

It is held that premiums of industrial companies are too high for the benefits conferred and legislation will be asked for to compel a reduction of rates.

—The Oregon Life reports October to have been the best month the company has had since it commenced.

—The Northwestern Mutual Life will write \$110,000,000 in new business this year, from present calculations, making 1906 altogether its banner year.

—The Peoples Life Assurance Society of Chicago, which was chartered in April, has so far written \$700,000 of new business, and expects to close the year with a million.

—In October the Midwest Life of Lincoln, Neb., received eighty-two applications for \$106,000 of insurance, and issued eighty-one policies, aggregating \$102,000. This was the best month of the six in which the company has been doing business. It now has \$437,500 of insurance in force.

—The recent examination of the Michigan Mutual Life by the Michigan Department shows that all death claims have been promptly paid, and the state-

ment of the company as of June 30 showed assets of \$9,682,680, of which \$7,878,177 was invested in first mortgages on real estate and \$1,803,709 loaned to policyholders.

—Actuary S. H. Wolfe has completed an examination of the Pacific Mutual Life, and will make his report as soon as the appraisers have gone over the securities of the company.

—S. T. Lockwood & Son, general agents for the Northwestern Mutual Life at Portland, Ore., report a gain in new business for the first ten months of 1906 over the same period last year of \$630,500.

—The Western Life Indemnity of Chicago is no longer writing assessment insurance, and has placed on the market three contracts on the whole life participating, limited payment life and limited term plan.

—The Northern Life of Illinois, which has just begun business, will specialize on a preferred dividend policy, under which an agreed share of the surplus earnings must be paid to the policyholders before the stockholders receive dividends.

—The Hoosier State Life Insurance Company of Marion, Ind., has been licensed, and will operate under the legal reserve deposit law of 1899, with \$800,000 of insurance in force as a starter. The organizers of the company are George A. H. Shideler, who will be president; D. H. Jackson, manager and secretary, and J. W. Neff, superintendent of agencies.

—The Shawnee Life Insurance Company is being organized in Topeka, Kan. It will probably have \$100,000 paid-up capital, \$100,000 paid-up surplus, and will be backed by the leading business men of Topeka. David Mulvane of Mulvane & Gault, attorneys, Topeka National Bank building, seems to be the moving spirit.

—The Colorado National Life of Denver has just opened offices in the Walker's Bank building, in Salt Lake City, with E. S. Smith and Geo. P. Mason in charge as general agents of Utah, Idaho and Nevada. Both of these gentlemen are old, experienced insurance men and have excellent records. Agency contracts are being closed with several of the prominent life insurance men of Utah, and the company has unquestionably a very bright future in their territory.

—The Columbus Mutual Life Insurance Company, Columbus, has made application for a charter, with the expectation that it will be ready to begin business early in the coming year. The capital stock will be \$100,000. In the long list of incorporators are the following: J. M. Sheets, Albert G. Joyce, George A. Peters and S. A. Court of Columbus, former Fire Marshal Hy D. Davis of Cleveland, C. E. Mason of Hamilton, Judge T. E. Bradbury of Gallipolis, James A. Rice of Canton, Henry Theobald of Toledo, W. R. Sprague of Portsmouth and Frank Dwyer of Xenia.

—The work of perfecting the organization of the Cleveland Life Insurance Company, incorporated some time ago, has been going along in a satisfactory manner. Officers will be elected at a meeting to be held at an early date, and it is understood that Wilber Wynant of the American Agency Company, Cleveland, who has been active in the organization of the company, will have charge of the field force. The stock is being sold at a premium of fifty per cent, in order to provide a good surplus from the beginning. Non-participating policies will be written, it is said.

THE SOUTH.

—S. H. Wolfe has resigned as consulting actuary of the Louisiana National Life of New Orleans.

—The Citizens Mutual Life and Accident Association of Texas has been incorporated, with its principal office at Weatherford. There is no capital stock. Incorporators: S. W. Jones, J. B. Babb, G. J. Bankhead, Sam Pryor, E. E. Babb, L. J. Tackett and N. B. Haney.

—The State Mutual Life of Rome, Ga., established a production of \$3,000,000 a month by its October record. In October the company's written business amounted to \$3,634,500, and the business accepted amounted to \$3,001,500. This gives the company in written business since the first of the year \$21,484,000, and there is every reason to believe that more than \$20,000,000 of first-class paid-for business will be placed on its books before the year 1906 ends.

—The Business Mens Life Insurance Company has been incorporated at Louisville, Ky., under a charter which provides that none of the officers shall ever receive a greater salary than \$6000 per annum. A reserve fund of \$100,000 is to be established, after which the company will be changed over to a mutual basis. The incorporators are Charles Nordeman, Charles Schuff, Charles P. Norton, A. Y. Ford, Fred Levy, L. T. Davidson, H. E. Tulley, R. H. Words, V. H. Engelhard, W. H. Bradbury and C. W. Chambers, all of Louisville, and J. R. Duffin, G. G. Summers and C. L. Balthis of New Albany.

—The Supreme Court of North Carolina has recently handed down a decision regarding the mailing of notices to policyholders of premiums being due, holding that the certificate of mailing notice of premium by an officer of the company cannot be made conclusive of the fact. Another decision deals with the question of reinstatement after lapse, and, as the policy provided that such reinstatement required the approval of the medical director and president, in addition to evidence of continued good health, such approval on the part of both officers was a condition prerequisite to any reinstatement, and the lower court was reversed. John W. Hinsdale of Raleigh, N. C., appeared for the appealing company in both cases.

MISCELLANEOUS LIFE NEWS.

Life Insurance Developments of the Week.

The suit of Stephen Farrelly in the interests of the International Policyholders Association to restrain the New York Life and twenty of its directors from spending the company's money for campaign purposes, was heard last week in the Supreme Court before Justice Dowl- ing. W. N. Cromwell, representing the company, denied all the charges and filed ninety affidavits to substantiate his claims. Both sides agreed to file briefs and affidavits, and it will probably be several weeks before a decision is reached.

Commissioner Folk of Tennessee has concluded his investigation into the campaign methods of the New York Life and Mutual Life. Several agents testified that they had worked and spent money in aiding the administration ticket, but at their own expense. Agency Director Wooten, of the Mutual at Baltimore, testified that he had done all he could for the administration ticket and the only instructions he had received from the home office were as to how to make out legal ballots. Mr. Peabody told him agents could work as they pleased, but at their own expense of time and money. He said the Nashville office had expended money, but it was the only office he knew of which had, and this was owing to misunderstanding of instructions. Mr. Peabody had paid for certain cards which were sent out. A telegram was read from President Peabody to Thomas C. Hindman, agency manager at Nash- ville, telling him that all employees, in order to be faithful, must sup- port the administration ticket. Mr. Hindman stated he was instructed to send administration tickets to agents and to make advances to them to get new business, and that they were to work for the administration ticket. Mr. Hindman wired the home office for instructions regarding ad- vances to the agents and said he received a reply saying that no advances could be authorized for campaign purposes.

Superintendent of Insurance Barrie of Michigan has issued a ruling that policyholders in the two New York companies must be left free to vote as they choose, and agents violating this rule will have their li- censes revoked.

Superintendent Drake of the District of Columbia does not claim to have any jurisdiction over the local campaign, but he approves the com- panies' policy in the following words:

I think the administration of the companies is entirely justified in such action, and if I were in a position in the management of one of the companies I would follow the same course. It would be little short of a calamity to take from the administration boards of the big insur- ance companies the men who have been trained by lifetimes spent in the work to handle the details of the immense business imposed upon them and to put new men in their places.

On November 10 the executive committee of the Tennessee Policy- holders Association issued a statement telling policyholders how to vote the anti-administration tickets and to ignore the administration ticket. The statement is signed by A. M. Shook and Reau E. Folk.

The Mutual Life scored a point in its suit to recover \$3,370,341 from former President Richard A. McCurdy, Justice Bischoff having denied a motion made by counsel for the defendant to compel the company to make its complaint more definite and certain. Similar motions were denied in the suits brought against Robert H. McCurdy and the firm of C. H. Raymond & Co.

The case of Walter R. Gillette, vice-president of the Mutual Life, came up on Monday. There are six indictments pending against Mr. Gillette, five for forgery and one for perjury, the latter indictment being the only one considered on Monday. Mr. Gillette was represented by ex-Judge Edward W. Hatch, who filed motions to dismiss all the in- dictments. District-Attorney Jerome appeared for the prosecution and he opposed every one of the contentions put forward by ex-Judge Hatch. It was also apparent that Justice Greenbaum did not favor setting aside the indictments and decision was reserved. Mr. Jerome maintained that perjury could not be overlooked merely because Dr. J. Gillette later spoke the truth when "smitten by fear or penitence." Dr. Gillette is charged with having testified falsely when questioned before the Grand Jury in regard to the so-called "Yellow Dog" fund of the Mutual Life. He was asked about an account he kept in the Dobbs Ferry Bank. He first maintained that this money, \$5000, belonged to him personally.

Mr. Jerome said:

It was not until he (Dr. Gillette) learned that the man with whom he had conferred as to returning this fund to the company had betrayed him that he broke down and told the truth. Then he asserted that he had been badly advised by his counsel, and went on to correct his testi- mony. I maintain that the Grand Jury is entitled to veracious testi- mony from the beginning of a witness's examination, and that it is contrary to the rights conferred upon the Grand Jury to call it no per- jury merely because a man is frightened into telling the truth, after first testifying falsely.

Kentucky local agents of the Mutual Life have been notified to con-

tinue soliciting business in Kentucky, which notification is taken as evidence that the Mutual will ignore the action of Henry R. Prewitt, Kentucky Commissioner of Insurance, in revoking the license of that com- pany to operate in Kentucky until it shall have reinstated Biscoe Hind- man, the company's manager at Louisville, who was discharged be- cause of his failure to support the company in its effort to elect the administration ticket.

President McMullen Outlines Plans.

Last Saturday the Pittsburg Life Underwriters entertained as guest of honor, Frank E. McMulleu of Rochester, the new president of the National Association of Life Underwriters. It is the custom of the Pitts- burg men to give a dinner in honor of each new president of the asso- ciation, and this year the interest was so keen that larger quarters had to be selected for the banquet, the Hotel Lincoln being chosen. Others specially invited to attend the banquet were: Ernest J. Clark of Balti- more, secretary of the National Association; Stephen F. Woodman of Boston, chairman of the executive committee, and William D. Wyman of Chicago, former president. The meeting was called to order by C. B. Knight, president of the Pittsburg board.

In the course of Mr. McMullen's speech, he said:

The field of action of the National Association has so extended during the last twelve months, its influence has grown so tremendously, and its scope has been so much enlarged, that from now on our plan of operation must differ materially from any that has prevailed heretofore. Upon the present administration de- velopes not only the duty of maintaining the advantage already gained, but of using it to the best interests of life underwriters and amplifying it to the benefit of the association and life insurance generally. It is our opportunity. Missing it, we shall become less than we are to-day; accepting it and living up to it, there is no man who can say where we shall stop. Every opportunity embraced last year—and there were many of them—meant a step forward; every opportunity embraced now, with the impetus we have already gained, will mean a stride, and if we are faithful to our trust, alert, watchful and vigorous, the close of this year, filled as it will be with difficulties to be overcome and advantages to be gained in consequence, must of necessity result in great benefit to our body.

I see no reason why all officers and executive committee members should not share the work, as well as the honor. I assure you that I am willing to divide both. I shall assume, therefore, in outlining the work for this administration, that the officers and executive committee members are the working machinery of the association. As its president, it is my right and my duty to use that ma- chinery for the advancement of our common cause. Accordingly, each officer, as well as each member of the executive committee, will be called upon to take an active part, on behalf of the National Association, in stimulating and building up his local association, as well as performing such other service as may be necessary in his vicinity from time to time. * * *

In addition to this normal work within our own organization comes our newly undertaken campaign to spread among public, press and legislators sound and sane ideas tending toward wise, uniform insurance laws in all the States. This great work, which our delegates pledged to their fellow-members of the Chicago conference and to President Roosevelt, who joined in inviting them, calls for the service of all our members everywhere, and of all the agents affiliated with us. By a word in season here, a leaflet or booklet there, as we pass in and out among the millions of policyholders and prospects, the tens of thousands of agents can do much to set the people thinking aright. With our seventy local associations throughout the United States and Canada we have the needed ma- chinery largely ready for such a campaign. Now, we must get that machinery in good order for this particular work. * * *

Organized efforts is the whole secret. What is needed is for all our associa- tions and members to be more active and to act in unison. And this requires constant stimulant, suggestion and material from the center. This administra- tion of the National Association will do its best to develop this central organizing and disseminating. It is a large task, by no means to be fully accomplished in one year, but we will make the best beginning we can. Right now we need all possible help in starting in filling boxes for all sorts of material, pamphlets, arguments, briefs, press clippings, etc., bearing upon the questions of the day. Whenever you come across an idea—in your own mind or elsewhere—that you think should be spread among the people for the good of life insurance, send it in. Thus we will have something worth while to send out, and will gradually be enabled to furnish on call much of the best thought up to date on any of these timely topics.

Mr. McMullen's speech was the only formal one of the evening, but short addresses were made by Ernest J. Clark of Baltimore; William D. Wyman of Chicago, and Stephen F. Woodman of Boston. Charles W. Scovel, ex-president of the association and Pittsburg manager of the Provident Savings, also addressed the gathering in his usual interesting style.

The association adopted the following resolution:

Resolved, That the Pittsburg Life Underwriters Association indorses the action of the National Association in adopting a resolution denouncing as injurious to the public and contrary to sound insurance procedure the use of advisory boards or agency company schemes or the sale of stock or any plan or combination by which anything not a legitimate feature of a life insurance policy is offered as an inducement to take insurance.

—The Annuity Company of Canada, recently organized in Winnipeg, is now transacting business, and offices have been opened at Vancouver, Toronto, St. John, N. B., and Halifax, N. S. A Dominion license has been issued, and securities to the amount of \$58,000 deposited with the Dominion Government. It is said that the capital of \$1,000,000 is almost fully subscribed. G. J. Lovell is the organizer and managing director of the company; Robert Muir, Winnipeg, president; F. O. Fowler, first vice-president, and R. Y. Griffin, second vice- president.

Tabulated Results of One Hundred and Four American Life Insurance Companies from Their Commencement to January 1, 1906

COMPANIES.	INSURANCE ACCOUNT.				RECEIPTS FROM ORGANIZATION.				PAYMENTS TO POLICYHOLDERS SINCE ORGANIZATION.				Admitted Assets, Jan. 1, 1906.	Surplus, Jan. 1, 1906.
	Number of Policies in Force Jan. 1, 1906.	Amount in Force Jan. 1, 1906.	Total No. Policies Issued from Organization to Jan. 1, 1906.	Total Insurance Issued from Organization to Jan. 1, 1906.	Premium and Annuity Receipts.	Interest, Rents, etc.	Total Receipts.	Death Claims.	Endowments and Annuities.	Purchased Policies Surrender Values.	Dividends to Policyholders.	Total Payments to Policyholders.		
Mutual of N. Y.	689,321	\$1,589,549,468	1,573,982	4,164,832,499	\$1,073,516,603	316,827,057	1,390,343,660	331,110,742	91,035,903	163,228,574	115,452,918	700,837,137	\$470,861,166	\$78,267,607
New England.	69,344	165,815,645	184,562	539,297,611	119,475,560	40,013,622	159,489,182	48,988,979	9,659,389	16,059,851	21,164,538	95,872,757	40,702,692	4,102,421
New York Life.	2,001,269	2,061,593,886	1,953,351	4,640,950,936	933,965,002	216,254,708	1,159,219,710	237,013,268	86,840,934	86,697,967	84,564,278	495,116,447	435,820,360	152,835,627
Mutual Benefit.	61	388,008,654	421,153	1,060,512,266	279,421,619	95,280,788	374,702,407	114,414,178	15,129,486	34,648,156	64,529,590	228,721,410	99,124,390	7,576,303
State Mut., Mass.	44,715	114,423,961	91,338	238,817,213	54,791,247	14,024,677	68,815,924	14,211,598	3,106,291	5,972,358	6,730,056	27,393,304	27,393,304	2,643,782
Conn. Mutual.	47,137	110,412,783	254,981	666,557,063	238,241,228	40,607,738	359,272,408	127,675,107	16,749,193	28,997,785	67,320,056	240,742,141	66,038,929	4,897,647
Penn. Mutual.	337,673	845,876,347	337,673	845,876,347	156,355,078	40,607,738	106,962,816	42,743,581	10,122,176	13,584,223	20,536,911	86,986,891	75,726,670	29,724,864
Union Mutual.	56	436,870,020	337,673	845,876,347	156,355,078	40,607,738	106,962,816	42,743,581	10,122,176	13,584,223	20,536,911	86,986,891	75,726,670	29,724,864
United States.	22,103	39,792,799	120,155	292,049,417	40,948,053	12,787,237	53,735,290	17,455,080	2,618,363	6,665,136	63,046,641	29,785,220	8,984,098	500,211
Ætna Life.	414,621	225,858,315	438,387	848,136,233	192,020,996	70,009,093	260,030,089	65,758,538	30,581,355	24,588,594	20,087,758	147,016,245	179,247,504	18,017,609
Manhattan.	36,402	78,050,955	152,218	403,831,161	70,351,393	25,198,244	95,549,637	34,342,081	3,929,005	9,610,163	7,868,609	55,749,858	18,751,869	1,507,536
National of Vt.	75,048	145,480,904	177,767	355,440,515	66,337,802	15,343,375	81,681,177	15,324,359	3,271,366	8,334,882	3,618,826	30,549,433	34,515,536	3,818,196
Phoenix Mutual.	53,113	89,292,470	210,642	402,616,357	67,463,041	23,506,232	90,969,273	26,573,193	5,238,675	6,875,440	12,150,438	50,837,746	20,245,015	905,359
Mass Mutual.	87,036	195,058,250	216,611	525,823,445	95,232,682	24,126,809	119,359,491	29,323,855	4,826,531	9,519,054	13,904,417	57,633,857	40,078,866	3,362,286
Berkshire.	25,376	61,578,465	76,670	190,339,136	42,108,956	10,214,619	52,323,575	11,495,773	3,608,671	7,667,191	6,131,792	28,903,427	14,686,923	1,086,928
German Mutual.	702	1,508,837	2,032	4,179,578	1,133,100	973,322	2,106,422	824,199	72,439	86,538	162,735	1,148,911	561,108	154,187
N.W. Mutual.	432,896	476,126,187	635,334	1,535,762,794	362,024,571	110,602,063	472,626,634	86,951,563	22,031,575	29,110,057	57,031,747	195,125,542	208,417,073	39,331,698
Equitable of N. Y.	562,345	1,465,123,436	1,542,069	4,929,266,515	924,234,035	244,238,689	1,148,472,724	275,468,114	42,465,861	112,446,040	87,733,460	518,159,375	413,615,723	62,161,629
Home of N. Y.	444,615	479,775,340	136,125	266,220,717	48,736,266	14,096,429	62,832,695	15,102,027	4,328,296	4,708,415	6,347,933	30,486,671	17,886,595	1,204,400
Washington.	434,839	463,255,371	160,563	347,581,196	64,877,125	18,495,478	83,372,603	21,867,048	9,789,910	8,607,604	6,362,335	46,620,597	18,009,312	607,1234
Germania.	467,327	410,496,506	187,492	329,360,054	88,911,866	28,223,735	117,135,601	30,687,220	12,611,965	9,174,403	7,051,482	59,525,070	35,711,677	4,888,190
John Hancock.	1,548,599	2,245,567,818	15,535,923	7,778,709,394	128,724,662	13,516,019	142,240,681	39,060,185	2,205,195	5,187,076	6,808,076	53,260,532	36,974,906	3,956,636
Provident L. & T.	64,923	177,778,748	127,751	372,936,446	103,585,704	32,402,833	135,988,537	22,379,003	17,058,819	6,905,300	14,206,097	60,549,219	58,696,148	8,495,933
Connecticut Gen.	19,996	30,612,056	53,244	85,305,215	13,052,615	4,196,871	17,249,486	3,657,431	1,277,830	1,431,055	800,227	7,167,143	5,940,379	605,725
Maryland.	4,620	8,806,560	17,726	39,177,263	6,436,466	2,516,368	8,952,774	3,029,773	279,948	307,993	647,628	4,355,342	2,557,978	324,151
Travelers.	464,898	415,286,469	159,457	396,947,674	61,183,178	22,711,251	83,894,429	20,008,267	4,823,512	4,197,948	19,356	29,049,083	148,960,079	16,353,858
Metropolitan.	119,158	1,207,924,312	22,940,305	4,183,522,860	473,488,001	40,324,683	513,812,684	150,757,668	1,250,463	7,477,507	7,218,103	166,703,641	151,663,477	16,181,579
Union Central.	427,547	438,585,457	1,133,931	923,483,842	82,295,762	22,839,682	105,135,444	16,039,648	4,407,203	8,663,018	4,359,279	33,469,148	49,774,005	8,492,203
Equitable of Ia.	19,852	23,933,136	320,979	620,946,316	8,039,589	2,384,858	10,424,447	1,331,824	302,598	617,917	847,450	3,099,789	4,861,933	670,391
Hartford Life.	434,542	459,805,501	155,674	282,845,329	39,129,190	3,122,788	42,251,978	26,355,600	58,490	978,047	1,418,380	28,810,517	3,577,929	977,361
Michigan Mut.	35,463	49,837,228	119,021	184,655,876	25,213,437	6,138,719	31,352,156	6,810,409	1,941,643	2,866,151	1,384,325	13,002,528	9,447,270	459,792
Pacific Mutual.	460,071	494,836,637	146,909	1,913,675,530	27,673,887	6,818,280	34,492,167	6,915,374	1,511,255	2,660,746	1,814,233	12,910,008	10,803,293	946,362
Nat'l of U. S. A.	37,257	42,260,877	123,845	181,181,591	15,186,193	8,728,203	23,914,396	5,567,996	380,206	3,718,788	4,397	9,671,387	6,092,500	1,287,533
Presbyterian Min.	7,018	10,613,312	10,807	16,918,221	2,928,267	1,022,361	3,950,628	716,077	324,156	176,324	164,199	1,380,756	2,349,025	404,419
Prudential.	117,575	1,738,502,100	22,960,634	4,735,422,827	335,104,200	25,141,180	360,245,380	94,447,620	487,346	7,260,008	5,120,239	107,315,213	107,229,585	16,045,812
Provident Sav'g's	45,619	101,708,761	199,129	538,566,299	48,183,736	3,844,588	52,028,324	20,171,933	103,126	1,612,771	5,129,726	27,017,556	8,692,127	318,128
Fidelity Mutual.	458,206	411,488,201	155,910	335,527,934	31,930,345	3,782,574	35,712,019	12,134,971	4,124	911,287	311,480	13,361,862	10,360,986	1,346,736
Mutual Reserve.	455,382	498,310,740	388,959	942,855,707	88,736,906	5,862,908	94,599,894	59,582,228	17,078	2,097,705	806,116	62,503,127	5,377,669	71,696
Royal Union.	49,598	415,170,104	20,456	35,371,626	3,282,401	785,999	4,068,400	594,12						

Illinois Life.....	7	25,190	43,267,410	42,389	73,651,782	5,574,357	5,417,913	10,992,270	1,740,933	110,647	1,031,470	119,175	3,002,225	5,609,593	293,752
Sec. Mut., Neb. p.	7	4,359	5,312,577	7,726	9,553,848	545,485	14,303	559,788	67,179	.....	14,691	.....	81,870	199,738	33,016
Wisconsin Life. p	7	1,826	2,405,675	3,439	4,933,889	430,056	35,076	485,132	100,123	.....	20,707	75	120,995	179,906	17,955
Kan. City Life p.	7	1,826	2,405,675	3,439	4,933,889	430,056	35,076	485,132	100,123	.....	20,707	75	120,995	179,906	17,955
Bank's Reserve p.	7	43,548	5,034,777	6,772	9,456,127	766,256	50,685	810,941	72,377	.....	35,457	1,596	109,430	357,637	127,459
American, Ia....	7	44,335	5,134,025	5,813	15,528,250	1,355,892	59,062	1,414,954	97,750	.....	34,667	74,013	206,430	519,775	87,375
Inter-State.....	7	2,025	3,134,025	4,926	6,721,475	425,812	58,589	484,401	14,830	.....	41,864	742	57,436	147,495	45,824
American Cent....	7	4,871	17,643,704	9,298	29,515,952	2,686,278	319,668	3,005,946	154,913	.....	636,245	.....	791,158	1,383,260	208,100
Home of Del. e..	7	6,753	18,252,031	10,213	30,244,418	2,538,901	153,200	2,602,191	173,141	.....	193,082	38,239	404,402	1,503,208	229,143
South Atlantic...	6	1,866	3,004,737	4,261	5,022,144	222,483	25,324	247,807	71,201	.....	.....	88	71,201	155,755	119,925
Federal Life.....	6	4,717	8,595,403	11,704	21,799,916	786,969	794,303	1,581,272	113,330	.....	292,185	9,021	414,536	686,149	94,443
Minnesota Mut. p	5	49,007	225,306,897	9,837	27,731,040	2,927,620	674,384	3,602,913	1,218,253	.....	348,412	220,363	1,787,028	2,048,329	116,935
Liberal Life.....	5	848	2,065,150	1,742	4,270,650	285,616	17,265	302,881	24,700	.....	12,803	6,055	43,558	151,508	46,206
Texas Life.....	5	175	168,100	264	238,800	67,975	65,398	133,373	1,000	.....	3,893	.....	4,803	162,391	109,449
Sec. L. & A., Chgo.	4	93,179	410,357,474	4,231	13,433,179	775,645	85,007	860,652	30,525	832	33,931	.....	65,288	518,452	170,116
Missouri State p..	4	9,058	14,197,834	12,298	18,587,468	1,055,473	598,755	1,654,228	227,973	.....	137,850	.....	365,823	803,551	163,157
Equitable Ind. ep	4	227,122	23,173,555	249,396	26,377,677	378,623	16,388	395,011	115,270	.....	.....	2,712	117,982	149,543	123,507
Sec. L. & A., N.C.	4	43,181	25,936,100	3,702	7,098,800	466,342	55,907	522,249	78,503	34,002	767	.....	113,272	273,556	108,273
Columbian Nat'l e	3	28,500	33,530,423	214,458	48,171,405	2,457,009	376,268	2,833,277	254,493	.....	12,930	337	267,760	1,968,128	573,337
Life Ass'n of Am.	3	263,497	28,299,296	2213,312	224,949,878	410,234	245,019	655,553	57,200	.....	10,137	409	67,746	464,642	315,304
Chicago Life.....	3	2,883	5,179,718	5,498	9,418,813	364,953	151,212	515,265	29,250	.....	7,134	64	36,448	266,000	140,205
Pittsb'gh L. & T.	3	11,497	10,979,046	10,188	13,272,829	765,471	512,988	1,278,459	150,993	.....	41,980	6	192,979	974,544	394,265
Guaranty Mut....	3	2,568	1,259,150	5,298	2,728,675	75,357	23,984	99,341	7,375	.....	247	.....	7,622	30,562	13,445
Reliance Life....	3	3,562	27,201,940	4,418	8,922,765	592,171	1,182,742	1,774,913	40,948	75	.....	1,533	42,556	2,032,077	1,634,364
Conserv. Mut....	3	416	601,446	922	1,133,500	67,744	5,732	73,617	10,554	.....	2,329	.....	12,883	24,589	1,618
Southern L. & T.	3	4,579	6,026,294	8,799	10,190,740	336,263	86,246	422,599	35,801	.....	911	5	36,717	241,309	142,238
Southern L. & T.	3	1,000	1,672,500	1,124	1,956,180	92,381	3,119	95,500	2,183	.....	707	.....	2,800	318,503	290,742
Columbia Life....	2	1,571	2,931,826	2,265	4,077,804	120,856	163,218	284,074	10,568	.....	4,283	2,816	17,667	319,863	145,947
State Security...	2	119	64,400	183	97,550	7,204	3,969	11,173	2,000	4407	.....	.....	2,407	16,807	11,626
Volunteer State..	2	3,006	25,491,000	3,887	6,953,500	211,325	67,588	278,913	22,084	.....	.....	.....	22,084	279,216	228,069
Eureka e p.....	2	26,711	1,357,363	44,289	2,426,653	286,017	8,387	294,404	19,491	264,799	1,629	.....	85,919	125,145	91,164
Continental.....	2	1,584	6,720,500	2,951	7,702,500	416,166	18,707	194,542	2,000	.....	5,720	.....	7,720	209,986	51,207
Intermed. Life....	1	615	1,051,000	684	1,151,000	136,475	58,067	434,873	32,871	.....	.....	.....	32,871	407,373	306,488
Citizens Life....	1	2,972	11,474,200	3,442	13,223,110	293,440	132,629	426,069	9,000	.....	.....	700	9,700	321,961	203,095
Reliable Life....	1	503	1,068,000	511	1,077,000	31,289	43,284	74,573	500	.....	.....	.....	500	34,780	29,207
Central Union....	1	1,008	2,143,500	1,008	2,143,500	71,090	.....	71,090	6,000	.....	.....	.....	6,000	32,185	4,505
Scandia Life p...	1	8,742	8,844,577	524	507,281	164,776	412,949	577,745	102,734	.....	.....	.....	102,734	446,220	337,384
Amer. Nat'l e....	1	99,554	21,671,950	224	22,928,420	64,178	33,416	97,594	5,546	.....	.....	285	5,831	145,958	130,777
Beneficial Life...	1	640	752,500	642	754,500	26,359	6,875	33,234	1,201	.....	.....	.....	1,201	112,314	101,042
Commonwealth e	1	314	21,307,000	4416	21,800,000	41,467	5,054	46,521	2,407	.....	.....	.....	2,407	136,412	128,766
Life Ins. Club...	1	2201	2342,000	201	342,000	5,829	8,701	14,539	.....	.....	.....	.....	.....	117,633	113,361
Greensboro Life.	1	1,093	1,798,300	1,243	1,981,300	59,631	563	60,194	2,500	.....	.....	.....	2,500	134,309	128,375
American Mut....	1	308	444,000	308	444,000	16,387	2,346	18,733	.....	.....	.....	.....	.....	142,955	136,540
Capitol Life.....	1	373	1,636,500	388	1,689,500	65,936	60,538	125,574	.....	.....	.....	.....	.....	310,187	300,261
Lincoln Nat'l....	1	316	532,000	345	554,000	18,022	540	18,562	.....	.....	.....	.....	.....	116,097	113,327
State Mut., Ga. p	1	1,665	3,795,500	1,173	3,565,500	173,232	88,941	262,173	21,486	.....	4,801	5,046	31,333	296,382	119,720
American, Fla....	1	456	282,272	2582	2109,275	1,582	.....	1,582	.....	.....	.....	.....	.....	47,662	46,162
Western Mutual.	1	45	57,500	45	57,500	2,681	.....	2,681	.....	.....	.....	.....	.....	2,603	966
La Fayette.....	1	357	1,076,000	357	1,076,000	39,816	.....	39,816	.....	.....	.....	.....	.....	39,444	20,980
Agg. (92 Cos.) u.	...	5,612,061	11,044,569,444	13,721,426	30,291,618,908	5,610,533,108	1,575,125,374	7,185,658,482	1790,787,154	476,876,244	636,956,918	657,286,843	3501,997,159	2413,387,862	300,200,865
Agg. (12 Cos.) v.	...	16,430,127	2,263,004,263	60,612,894	7,846,605,471	953,738,169	80,913,214	1,034,651,383	287,969,895	5,079,119	19,973,304	19,157,986	332,180,304	300,058,462	37,384,880

a Paid for business only. b Stock company. c In March, 1885, the quinquennial system of distributing surplus was adopted. d During the past twenty years the bulk of this company's business has been written upon the "Life Rate Endowment Plan," dividends upon these policies being left with the company to assist in maturing them as endowments. e Includes industrial insurance. f Health insurance claims. g All industrial business. h Includes special reserve, \$7,208,412; surplus reserve funds, \$36,078,163; other funds, \$9,549,052. i Industrial business. j Ordinary business. k Did business formerly under the assessment laws. l For the years company has been reporting to the Insurance Department. m Including accident branch. n Ordinary companies, but including ordinary business written and in force of industrial companies. o Industrial companies. p Inclusive of \$5,004,236 accumulations on special forms. q \$24,903,433 surplus accumulations on tonline and semi-tonline contracts included among liabilities. r Paid as sick benefits. s At 3 per cent

INSURANCE AND STATE OFFICIALS AT CHICAGO.

Committee of Fifteen at Work—Opposition to Standard Policies—
An Interview Raises a Storm—A Large Attendance.

[SPECIAL DISPATCH TO THE SPECTATOR.]

CHICAGO, November 13.—The committee of fifteen appointed last February by the conference of Governors, Attorney-Generals and Insurance Commissioners to draft uniform legislation for life insurance companies, met here Monday in pursuance of instruction from the National Convention of Insurance Commissioners to complete its work. Chairman Thomas D. O'Brien of Minnesota was faced by a goodly number of delegates when he called the session to order.

At first it was thought the conference would end by Wednesday, but it is serious business—this drafting of a model insurance law—and the Commissioners are determined to go slow. They know they are in for a great deal of hostile criticism, whatever their draft may be, and the end of their labors will be approached gingerly, apprehensively.

In its labors during the first two days the commission was favored with the oral advice of a great number of interested persons, who had come far and wide to see that the Commissioners did not go wrong, through lack of admonition. These same persons—whom the irreverent consider as constituting so many "lobbies" and "steering committees"—had their say during the first two days and now are awaiting for such crumbs of comfort as may be dusted out in the way of news from executive sessions. At times the noise of intense cerebration within is almost audible. The question of standard policies is causing most of this cerebration. What shall the conference do as regards that subject is the important question. There have been enough arguments by the aforesaid interested parties before the Commissioners to muddle them completely.

The Commissioners don't know whether to adopt the proposed standard form or add a number of provisions which the companies must put in their policies if they are unwilling to adopt the standard. The sessions henceforth to be held will cover the merits and demerits of the question, as well as the consideration of some ten or twelve other recommendations for model policies. Incidentally, forty briefs from insurance companies in the West and South have been received and will come up for discussion.

Miles M. Dawson, the actuary who served under Charles E. Hughes and the Armstrong investigating committee, made a strong plea for the adoption of the Armstrong legislation as the basis of the reforms proposed for the various States. His speech was aimed directly at the committee of fifteen, now in session to draw up a uniform insurance code. In his audience, however, bombarding him with questions that were both friendly and hostile, was a strong lobby from the smaller insurance companies in the Western field. The Wisconsin legislative committee and Congressman Butler Ames of Lowell, Mass., the father of the Ames bill that was smothered in Congress, were also present to watch proceedings.

At the close of the session the committee adjourned to meet in executive session. Chairman Thomas D. O'Brien, Insurance Commissioner of Minnesota, announced that the conference would hear the reports of sub-committees on the following proposed legislation: Uniform legislation for insurance companies; prohibition of deferred dividends; adoption of a representative form governing mutual life companies; publishing of annual statements; limiting insurance of children; restriction of investment; limiting the loading; restricting the cost of new business; providing a uniform method of loading; reporting annual statements of dividends paid, credited, or provisionally credited under different forms of policies; providing a standard form for all insurance policies.

Mr. Dawson's speech was given up pretty largely to a plea for the Select and Ultimate Plan of providing for the cost of new business as opposed to the Full Preliminary Term Plan and its recent offshoot, the Modified Preliminary Term Plan. He urged that the initial cost of insurance should be spread over four or five years instead of taking it all out of the first year's premium. This is the method adopted in New York, to go into force next January. Its adoption in the West and South, however, is bitterly opposed by the small companies, who assert that it puts them at a disadvantage in competition with the large companies, who already have big surpluses on hand to cover the cost of new business. The small companies claim that they need to use the initial payment to cover the cost of the agency, medical expenses and the home office.

President Charles E. Dark of the American Life Convention got himself into trouble with the State Insurance Commissioners, Tuesday, by an interview in which he hinted that the Commissioners were under influence of the Standard Oil trust. In most instances this is a pretty serious charge to make, and so as the Commissioners feel that their re-

form task is at best a thankless one, they were angry when they read the interview and observed Mr. Dark's process of reasoning. Here it is: "There is a tremendous influence at work," Mr. Dark was quoted as saying. "Many of the features proposed for the new law will work a great hardship on the smaller companies. Some of them, like the modification of the preliminary term plan, will prevent the formation of any new companies. To that extent they are directly in line with the desires of the big companies. Where does Standard Oil come in? why, the big companies are practically the 'big three'—the Mutual, Equitable and New York Life. Who owns the Equitable but the Standard Oil crowd, and this same group is reaching out for control of the Mutual and New York Life."

"Such an interview as that is an insult to this body," declared Commissioner Rittenhouse of Colorado. "I shall ask the convention that official attention be given to it. We have given everybody, including Mr. Dark, a fair hearing. While he complains about the small companies, he ignores the fact that the big companies profess a despair, that is probably as genuine as his own, over our prospective rulings in favor of a standard policy. We can't please everybody. We are looking out for the policyholders and any set of special interests that raises the cry 'Standard Oil' has launched a boomerang and would better look out." Other Commissioners were equally annoyed over the construction placed upon their attempt to follow the Armstrong committee in its recommendations. "As a matter of fact, we have been more liberal with the small companies than has New York," said a Southern Commissioner. "If the truth were known, some of the small companies are more extravagant, in proportion to their means, than the old line companies. That is why they holler so when we try to put a limitation on the amount of the policyholders' money which they may spend in getting business."

Thomas E. Drake, Commissioner of Insurance of Washington, D. C., who is the personal representative of President Roosevelt on the committee, said that he had received instructions from the President to report to him as soon as practicable. "The President is intensely interested in this subject," said Commissioner Drake, "and only ten days ago he wrote me that he wanted my report at the earliest possible date. I assume that he wants to discuss the question in his next message to Congress. When the committee was organized he deputized me to represent him and report the findings, which I shall do as soon as possible. I have made preliminary reports on the three other meetings of the committee."

Wilbur S. Wynn of Indiana said: "It will be difficult in the extreme to force through the legislature of the Western and Southern States a modified bill when the smaller companies will be against it. Three quarters of the Western and Southern companies never will adopt anything but the full preliminary term plan." In addition to the original committee of fifteen, other visiting State Commissioners are sitting with them. The following is the complete list of the officials in deliberation: T. D. O'Brien, Insurance Commissioner Minnesota, chairman; Charles W. Farnham, Minnesota, secretary; W. R. Vredenburg, Commissioner, Illinois; J. J. Brinkerhoff, actuary, Illinois; A. I. Vorys, Superintendent, Ohio; S. E. Stillwell, actuary, Ohio; N. E. Hadley, Deputy Commissioner, Michigan; B. F. Crouse, Commissioner, Maryland; Henry R. Prewitt, Commissioner, Kentucky; Reau E. Folk, Commissioner, Tennessee; W. D. Vandiver, Commissioner, Missouri; E. E. Rittenhouse, Colorado; Alfred E. Bent, State Treasurer, Colorado; W. S. Carr, Commissioner, Maine; Zeno M. Host, Commissioner, Wisconsin. In addition there were present the legislative committees from Wisconsin and Iowa. The membership of the Wisconsin committee is as follows: Senator James A. Freer, chairman; H. L. Ecker, G. A. Beedle, W. S. Braddock, J. E. Roehr, J. M. Glover, B. E. Potter and J. L. O'Conner. From Iowa—J. H. Jamieson, chairman; John L. Bleekly, N. E. Kendall, F. F. Jones and T. C. Cleary. Congressman Butler Ames of Lowell, Mass., author of the Ames insurance bill, is also here. Others present at the conference are: F. E. McMullin, Rochester, N. Y., newly elected president of the National Association of Life Underwriters; J. T. Ashbrook, Philadelphia, vice-president Provident Life and Trust; E. E. Rhodes, mathematician Mutual Benefit Life, Newark, N. J.; George R. Scrugham, secretary of the international policyholders committee, and Thomas H. Bowles.

Prudential's Great Work.

These are the latest figures in the great ordinary reawakening effort being conducted by the Prudential. Week of September 10, New Jersey, \$2,024,500; week of September 24, New York, \$3,131,300; week of September 24, Pennsylvania, \$3,053,350; week of October 1, New England, \$1,849,630; week of October 8, Western and Southern States, \$6,464,628; grand total, \$16,523,408.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

Some of the foreign offices have taken a serious view of the American situation and decided to reduce their lines generally and to cut out certain classes of risks. The Union of London has already started the ball, and in this city, Chicago and elsewhere large amounts have been canceled outright. This is a flat reversal of the policy of this company a few years ago, when large lines were written under a peculiar plan as to commissions. The excess above what was known as their ordinary limits paid brokers only ten per cent, while the other lines paid fifteen per cent. The Law Union and Crown is another of the foreigners resolved upon smaller lines. The whole trend toward reduced limits finds expression in the congested district of this city, and is quite an inconvenience to brokers, whose yearly policies are thus disturbed in the middle of a busy season.

The city firemen have been kept busy lately attending to fires of more or less importance. The water supply is good and the firemen are alert. The losses range from \$5000 to \$250,000, and are well distributed among the companies.

The latest dodge to obtain a brokerage account developed a bargain between a small department store advertising patronage and a firm who wanted the insurance on the plant of a daily paper not far from Nassau and Frankfort streets. The department store did not advertise in the paper because of a row which occurred many years ago. Their solicitor solicited in vain a renewal of the contract. The fire insurance on the store was controlled by a relative of the principal owner and he learned of the difficulty. Then approaching the advertising manager of the newspaper, he made a proposition that if the fire insurance on the plant were transferred to him he would undertake to secure a renewal of the advertising patronage. The bargain was made and the terms faithfully kept; but a few months ago the broker lost the department store account, and the new hand at the wheel began an attack on the other contract, but up to date no change in the latter has been made.

There is still a wide variation in rates on cotton in the unsprinkled warehouse on the shore line, ranging from two to five or six per cent. The demand is light, however, and the owners are using every endeavor to keep the cotton out of the high-priced stores.

The claims recently presented to a city company for a small fire loss on a building in course of construction included items of rubber boots, a dress-suit case, plans and specifications, and two overcoats, which, in the aggregate, footed up to over two-thirds of the whole claim. The policy covered "materials and supplies," and the owner insisted that the enumerated articles were a necessary part of the equipment, but the adjuster insisted upon an oath that they were either "materials or supplies" in order to make the claim legitimate.

New branch offices are rare enough, but lately the Northwestern National has opened an uptown office.

It has been reported that, through the excessive zeal of a broker in New York with correspondents in London, a large line was placed in the Lloyds market upon the well-known Altman risk without authority, either of the regular brokers for Altman & Co. or the firm itself. Inasmuch as the total insurance required by the concern has all been covered in this city without resort to affidavits pleading inability, the plan of closing the London market was regarded by brokers as pretty sharp practice.

There is an unconfirmed report that the joint committee on economies will recommend that the fee for broker's certificates issued by the Exchange be increased to ten dollars. The situation is peculiar in this, that on one occasion it was ruled by the president of the Exchange that to increase the fee required an unanimous vote; whereas on a subsequent occasion it was ruled the question could be decided by a majority. As the most important section of the brokers favor the higher price, the proposal would doubtless carry if recommended, but a large proportion of the brokers, it is believed, would

oppose the increase unless the rate of commission below Fourteenth street was restored to the ancient and honorable fifteen per cent.

The companies have been hustling during the past week gathering the figures for the extra statement demanded by the New York Department to be filed to-day. The work has depended largely upon reports from the Pacific Coast of the losses, salvages, reinsurance uncollected, claims resisted and amounts deducted from the face of claims. The compromises will undoubtedly be revealed if the data required is supplied; but the effort is a painful one, because the same information is called for from other States by several State Departments.

Samuel Richards Weed, of the well-known firm of Weed & Kennedy, was chosen to deliver the principal address, from the historical standpoint, at the celebration of the centennial anniversary of the death of Rev. Moses Mather, D.D., on Sept. 30 last, in the Darien (Conn.) Congregational Church. His address was very interesting, and has since been printed by request. Dr. Mather was pastor of the church named for sixty-two years, and was captured by British troops in 1786 while conducting a service.

W. L. Chapman, now with Starkweather & Shepley, will leave that firm on January 1 to become a member of Chapman & Simmonds, to engage in the suburban insurance agency business. The new firm will have head offices in lower William street, with branches at New Rochelle and Mount Vernon.

Daniel Woodcock & Co. of 19 Liberty street have been appointed general agents of the Anchor Fire of Des Moines for surplus lines anywhere in the United States.

Walter H. Lockwood has been appointed sole agent of the Shawnee Fire for Brooklyn.

BOSTON AND VICINITY.

At the meeting of the New England Insurance Exchange, Saturday, the form of automobile permit used by the National Board of Fire Underwriters, with a scale of charges recommended by the executive committee, was adopted.

A substantial reduction is made on buildings in which not more than three automobiles are kept. The new rates in force are 10 cents per annum additional for one gasoline automobile, 20 cents for two machines and 30 cents for three. The old charge was 50 cents per year, \$1.00 for three years and \$1.50 for five years, in addition to the regular premium on such buildings. The new charges are doubled on buildings where steam automobiles are kept, but the new rates do not apply to public garages, for which there are special rates according to the circumstances in each case.

It is stated that only about fifty risks will be affected by the recent reduction in rates made by the New England Insurance Exchange in Bangor, Me. The reason is that there is very little of the kind of property designated in the conflagration area.

Dana W. Bennett and Dexter F. Bennett, of the insurance firm of D. W. Bennett & Co., both as individuals and as a firm, have made an assignment for the benefit of their creditors.

The Mercantile Fire and Marine Insurance Company of Boston will levy an assessment of \$65.00 per share on the stockholders, which will yield \$130,000. This, with the reduction of capital from \$400,000 to \$200,000, will offset the San Francisco losses.

Frank C. Field and Walter L. Whittemore have formed the fire insurance firm of Field & Whittemore.

An entirely new form of building laws for the city of Boston will be presented to the next legislature.

The Holyoke Business Men's Association has invited representatives of other trade organizations in the State to meet at the American House, in Boston, on November 26, for the purpose of discussing municipal and State fire insurance and the outlook for securing a reduction in fire insurance rates.

The annual meeting of the Underwriters Bureau of New England will be held on the 21st inst. It promises to be a very interesting meeting; and one of the important matters to come up will be the

report of the special committee, appointed to consider the advisability of consolidating the rating bureau and the inspection bureau.

H. G. Fairfield & Co. will represent, in Boston, the Southern Fire of New Orleans, just admitted to Boston.

Attorney-General Malone has rendered the following opinion, as to whether a fire insurance company may attach the following rider to the standard form of policy:

In consideration of an additional premium equal to ten per centum of the amount of premium otherwise due on this policy, it is understood and agreed in the event of any explosion on the premises covered, fire ensuing, this company shall pay the loss on the property hereby insured and injured by fire at the value thereof before the explosion, provided that if there is other concurrent insurance upon the insured property damaged this company shall be liable only for such proportion of the loss or damage as the amount hereby insured bears to the whole amount of insurance thereon, whether such other insurance contains a similar clause or not.

The question is, "Can a fire insurance company insure against loss or damage by explosion when a fire does ensue?"

This question, in a slightly different form, was answered in the negative by a former Attorney-General (see Opinions, vol. I., p. 431), and that unquestionably is the law. The rider above quoted, however, attempts to evade this prohibition by purporting to insure loss on property "injured by fire."

In as much as payment in case of loss is to be made at the value of the property "before the explosion," the policy in effect insures against the loss arising both from the explosion and from the fire; and from the fact that an additional premium is charged, it is evidently intended to cover loss caused solely by explosion. Such a rider cannot lawfully be issued by a fire insurance company.

NOTES FROM PHILADELPHIA.

Frank M. MacDonough, a member of the firm of Platt, Yungman & Co., died on Saturday last. Mr. MacDonough was very popular, and although he was known to be ill with typhoid fever it was also known that his condition on Friday indicated a speedy recovery.

The General Adjustment Bureau last week announced the establishment of its Philadelphia office, from Nov. 1, in the Manhattan building, southeast corner Fourth and Walnut streets, and that its business here has been placed in charge of W. J. Greer as general manager.

The sole agency of the United States Fire of New York for Philadelphia was last week transferred from Stone, Mathews & Co. to J. E. Hyneman & Co.

J. Howard Brown & Co. are now agents for the Mechanics, succeeding James S. Young & Co., resigned.

Henry S. Kent of Swarthmore, Pa., a prominent insurance agent, died on the 7th inst.

At auction last week four shares of stock of the Fire Association sold at 331½ per share, and eight shares at 330½. These are the first sales since the new stock issue. The last previous sale was at 300, and as the "rights" to subscribe to the new stock sold at 50 cents per share, the above transactions represented an advance of about 30 points. Five shares of Insurance Company of North America stock brought 23⅞ per share.

Robert M. Coyle, the prominent agent and broker who has been ill for so long, has been at Atlantic City recuperating for some days past. Mr. Coyle's confinement has much retarded the work on a complete hand-book of rules of the Philadelphia Fire Underwriters Association, which he has been preparing.

The last of the tests to determine the adequacy of the city fire department were made on Saturday last under the direction of Chief Baxter. No. 32 of the Sixth and Sansom streets station, a first-class engine with a capacity of 900 gallons per minute, which broke down during a previous test, was tried again, but after pumping its full capacity for twenty-five minutes had another accident, which, although not serious enough to put it out of commission during a fire, would make necessary a reduction of pressure. It is contended on the part of the authorities that the tests proved that the fire-fighting facilities of Philadelphia are equal to those of any city in the country, but the fact that Director of Public Safety McKenty has asked Councils to appropriate \$50,000 to purchase ten new engines to replace others

which have become antiquated, and \$20,000 for necessary repairs to those which through much service have become worn, is sufficient indication to underwriters of the value of the report of the committee of National Board on the efficiency of the apparatus in this city.

THE NEW ENGLAND FIELD.

Death of L. Walter Clark.

L. Walter Clark, for twenty-five years assistant secretary of the Connecticut Fire, died last week, aged seventy. Mr. Clark became assistant secretary of the Connecticut Fire early in 1881, having resigned the presidency of the Meriden Fire to accept the position which he held up to January 1, 1906.

—A bill has been introduced in the Vermont Legislature to incorporate the Granite Mutual of Barre.

THE WEST.

—The United American of Milwaukee will enter Michigan in 1907.

—Harry M. Coudrey, the well-known St. Louis underwriter, has been re-elected to Congress.

—The Milwaukee German will enter Illinois and appoint McEnaney & Hengle its Chicago agents.

—Charles F. Simonson will retire as superintendent of ratings of the Western Union on January 1.

—F. W. Koeckert has resigned as special agent of the German of Indianapolis to become Indiana special agent of the Phoenix of Brooklyn.

—A committee was recently appointed at a meeting of fire insurance agents of St. Paul, Minn., to take charge of matters pertaining to the annual convention of the National Association of Local Fire Insurance Agents, to be held in that city in August, 1907.

—The effort of B. F. Loose, a former insurance agent of Des Moines, Ia., to secure the indictment of members of the firm of Willcox, Howell & Hopkins Agency at Des Moines and W. D. Skinner on a charge of violating the anti-trust law of the State has failed.

—The new Insurance Commissioner of Wisconsin will be George E. Beedle, elected on the Republican ticket. Charles W. Barnes succeeds Commissioner Luling in Kansas. John C. Billheimer will be State Auditor of Indiana, and Frank N. Julian, Secretary of State and Insurance Commissioner of Alabama.

—Fire insurance companies operating in Minnesota are seriously concerned over the effects of the recent decision of the Supreme Court, holding that all policy warranties other than those specifically stated in the law, are not enforceable. The Minnesota Department, recognizing the importance and necessity of many warranties, is now framing a new law which shall designate a uniform policy covering many of the special features now met in the shape of warranties.

—Attorney-General Miller of Indiana, ruling on the interpretation of the law governing the organization of mutual fire companies, has given the opinion that the \$20,000 cash referred to in the law can be put up by whomsoever the organizers choose, and that it does not have to represent cash premiums. Further, Mr. Miller says that the officers of a mutual fire company, after securing the \$20,000 in premium notes, may themselves pay to the company the latter amount in cash, though none of it is received from those who execute premium notes.

—The committee on fire protection of the National Board of Fire Underwriters has completed its investigations into the fire protection of Milwaukee, Wis. The engineers report that the fire department, water supply and fire alarm system are fairly reliable. The conflagration hazard is reported to be severe in the western part of the congested district owing to several large-area centers of high combustibility in surroundings lacking in fire-resistive features. The report says that outside of the congested value district any conflagrations should be local, except possibly in the northeast part of the southwest manufacturing and warehouse district, which rather badly exposes part of the main district.

THE SOUTH.

—The Michigan Commercial has entered South Carolina, and is making application for admission to North Carolina and Virginia.

—Watertown, S. C., has passed an ordinance imposing a \$25 license tax. Two or three companies have taken up their agencies in consequence.

—C. N. G. Butt & Co., local agents at Charlotte, N. C., have resigned from the local board in order to compete with incorporated agencies by dividing commissions with the insured.

—Insurance Commissioner Clay of Texas recommends in his report that better building laws and better water service laws be enacted, in order to reduce the fire waste; the enactment of a fire marshal law; the amendment of the law limiting investments so as to include the bonds of independent school districts,

stock of State banks and such securities as are allowed savings banks, and the appeal of the occupation tax law as applied to general and local agents.

—The British America of Toronto has temporarily suspended business in Mississippi, pending a thorough investigation into the law regarding the ownership of stock of other insurance corporations.

—The German of Freeport has begun suit for damages against the San Francisco loss claimants who brought suit in New Orleans under their policies and levied on the company's Southern department property.

—Suit was brought recently in Atlanta for \$1500 against the American Insurance Company of that city, one of the assessment concerns doing business in Georgia. The claim is on a policy of T. T. Peeples & Co. of Butler, Ga., which burned in April last.

MISCELLANEOUS FIRE NEWS.

—George Kirsop, Jr., a well-known local agent at Troy, N. Y., is dead.

—N. A. Elsberg has been appointed receiver of the North German Fire of New York.

—Macdonald & Miles have been appointed Pacific Coast general agents of the Westchester Fire.

—The agency of John H. Dickson, who died recently at Troy, N. Y., has been purchased by Thomas W. Hislop of that city.

—As a result of the recent heavy damages by tornado on the Southern coast, the South-Eastern Tariff Association has promulgated a schedule of differential rates which apply within twenty-five miles of the sea coast.

—The New Amsterdam Fire Insurance Company is being organized in New York city by parties heretofore interested in the New York Fire, together with a number of prominent underwriters and business men. It will do a general business throughout the country, and will have a substantial capital and surplus.

—The Jefferson Fire of Philadelphia has appointed C. J. Stovel of San Francisco its general agent for the Pacific Coast. The company will immediately make application for admission to California, Washington, Montana, Idaho, Utah and Nevada.

—It is reported that as a result of the negotiations between Mayor Schmitz of San Francisco and the German Imperial Insurance Commission with regard to refusal of some of the German companies to settle their San Francisco losses, the commission has agreed to bring pressure to bear upon the companies interested, in order to compel them to pay to the extent of their solvency.

—Three shares of the Continental of New York recently sold at 1350, and twenty-three shares of the Fidelity Fire of New York at 330. Cincinnati fire companies' stocks were recently quoted as follows: Security Fire, 100 asked; Merchants and Manufacturers, 130 asked; Eureka Fire and Marine, 140 bid; National, 100 asked. The Milwaukee Mechanics was recently quoted at 33 bid and 35 asked.

—Messrs. Thomas and Sutro, representing the San Francisco policyholders of three German fire companies and one Austrian company, called at the State Department in Washington recently in order to solicit the aid of the Federal Government in collecting amounts due for losses in the San Francisco disaster. Assistant Secretary Bacon will give the attorneys letters of introduction to the American embassy in Berlin, and will also instruct Ambassador Tower to render assistance.

Casualty, Surety and Miscellaneous

The Muir & Haughton Suit.

The suit for \$750,000 brought against the General Accident Assurance Corporation for alleged violation of contract, by Muir & Haughton, its former United States managers at Philadelphia, opened on November 5, Alexander Simpson appearing for the plaintiff and John G. Johnson for the corporation. Some time ago the corporation cut off Muir & Haughton's contract abruptly, claiming that too much of that firm's time was devoted to outside matters, notwithstanding the fact that there was a prohibitory clause in the contract which required that they give their exclusive attention to the business of the General Accident. The General claims to have protested repeatedly against the participation by Muir & Haughton in the affairs of the General Trust Company. The first day's evidence showed that considerable of Muir & Haughton's time was devoted to outside matters. On November 7 the testimony and cross-examination of Wm. S. Muir was closed after he had denied all knowledge that funds or employees of the General Accident had been used to promote the General Trust Company or to benefit Muir & Haughton in their brokerage business. He admitted that he had personally kept the General Trust Company's books. The testimony of J. Paul Haughton revealed the fact that the General Trust Company and the General Investment Company occupied offices in the same building as the insurance company and their books were kept in the same office. It was also admitted that the General Accident's employees worked on the books of the other two concerns. The witness "could not recall" if this work

was paid for by the General Accident or not. Mr. Haughton was followed by several witnesses, insurance men, who testified that brokers occupying offices were allowed free use of the clerks of the General Accident. At the close of this testimony counsel for the plaintiff announced his case closed. On November 9 F. Norie-Miller, general manager for the General Accident, was on the stand and in the cross-examination by Alexander Simpson, Jr., he endeavored to show that the outside ventures of Muir & Haughton were generally known to Mr. Norie-Miller. Considerable correspondence was introduced to substantiate this claim. Manager Moore of the General Accident testified that it had been very hard for him to consult with Mr. Muir in relation to the General Accident's business owing to Mr. Muir's other business. Agent Manger of Chicago stated that Mr. Haughton had made frequent visits to Chicago with the apparent sole purpose of promoting the sale of General Trust Company stock. Manager Hallin, head of the Franklin Fire, testified that he had been cautioned by Wm. S. Muir not to reveal to Mr. Norie-Miller his (Muir's) connection with the Union Fire.

At the adjournment of court on Tuesday, the General Accident's attorney had not finished his argument. The case was expected to be finished on Wednesday and reach the jury in the afternoon of that day with the final charge by Judge McPherson.

United Surety Affairs.

It is believed in some circles that the internal troubles now pending in the United Surety Company will result in Olin Bryan, organizer and former president of the company, returning to the company. Since Mr. Bryan left the company he is said to have been working to secure control. There is a strong element in the company friendly to Mr. Bryan and it is thought that he will again become an important factor in its management.

Unless plans now pending pending fail of completion, control of the United Surety Company of Baltimore will soon pass into the hands of New York parties, according to a press dispatch from Baltimore. Control of the company now rests with the Commercial and Farmers National Bank and closely allied interests, and it has been known for some time that the bank wished to sell out its interest. Representatives of the bank came to New York last week with full power to act and if successful in closing the deal are expected to obtain a check for \$275,000 for the bank's interest.

The representatives of the bank who have been in New York, returned to Baltimore on Monday and it is believed in that city that the deal has been consummated and the stock will be disposed of in a few days. The deal has so far been conducted through the New York banking house of Ladenburg, Thalman & Co. It is expected that new capital will be put into the company and a general reorganization effected.

German Commercial Accident Company Organizing.

The German Commercial Accident Company of Philadelphia is being organized and is selling stock. The officers are: President, Albert H. Ladner; vice-president, Gustav Mayer; treasurer, Albert Baltz; secretary, Horace B. Meininger. It is proposed to organize a company with \$100,000 capital and \$50,000 surplus to consolidate with and absorb the business of the Commercial Mutual Accident Company of Philadelphia. The board of directors has been authorized by vote of policyholders to enter into such an agreement as soon as the organization of the new company is complete. The commercial Mutual has an established business with a premium income of \$50,000 per annum and is in sound financial condition. Ten thousand shares of stock will be sold at \$15 a share, par \$10. The organizers will take advantage of the Pennsylvania law which permits a company with \$100,000 to do a general casualty business.

The Aetna a Brokers' Company.

The Aetna Life Insurance Company, with that spirit of aggressiveness which has characterized it in this city, is again in the field with another innovation. The following letter, together with a very artistic and attractive circular, is being mailed to the New York brokers over the signature of Resident Secretary William J. Gardner:

The Aetna, not being satisfied with the prevailing custom of liability special agents, has employed several high-class liability men of experience and ability, to be known as brokers' specials. Such representatives, selected by reason of their special fitness for the position, will have no pecuniary interest whatever on either direct or brokerage risks, and will be required to work in conjunction with brokers. This is in line with our announcement made several months ago that it was our purpose to make the New York branch essentially a brokers' office and to faithfully serve and protect your interests. Owing to the complex nature of liability insurance and the comparatively few years since its introduction in this country, it is but imperfectly understood by policyholders and many brokers; hence this action of the Aetna in giving you the assistance of an experienced underwriter will materially safeguard the

interests of your assured. We feel that this announcement will be of special interest to you, marking, as it does, a new epoch in liability insurance, and that we will be rewarded with a liberal share of your patronage.

Changes in the New York Branch of the Aetna Life Insurance Company.

James R. Pitcher, manager of the New York liability department, and Sterling, French & Sterling, managers of the New York accident department of the Aetna Life, have resigned. The two departments have been united and are now a branch of the home office. Rates are made, policies issued and claim matters adjusted direct from the New York branch under the direction of William J. Gardner, resident secretary. Mr. Gardner announces that appointment of department superintendents will be made in the near future. Mr. Pitcher and Sterling, French & Sterling will continue with the company, devoting their time to their personal business.

Survey Board.

A special meeting of the Plate Glass Underwriters Association was held on November 9 in New York and the question of surveys again taken up. A plan was submitted which includes the provision that members file with the bureau sixty days in advance of the expiration of all risks, statements giving location and premium figured on their own survey, and similar data concerning all new risks. Membership companies are to apply to the bureau for rates on all new applications and the rate given is to be binding on the member securing the risk. These propositions were adopted practically without change.

Gerald Bunker, Eastern Manager.

Gerald Bunker, formerly New York manager of the Continental Casualty, is now Eastern manager of the company at the home office, having jurisdiction over the Eastern States. T. H. Perdue, who was Mr. Bunker's assistant in New York, succeeds him as New York manager. It is said that all the company's territory will be divided up and a home office manager appointed for each section.

Casualty Notes.

—W. D. Bell is the Boston agent of the North American Accident, which has just entered the State.

—Insurance Commissioner Button of Virginia has investigated the affairs of the Farmers Mutual Protective Association and the American Live Stock Association, both local concerns, and has found them to be in bad condition and has closed them up.

—H. Rieman Duval has been elected to the board of directors, and also member of the executive committee of the National Surety Company. Mr. Duval is a director of the Mutual Life, Atlantic Coast Line and numerous other prominent enterprises.

—Davis & White of Chicago, general agents of the Maryland Casualty Company for Northern Illinois and Indiana, have surrendered a large portion of their territory so that the company can pursue its policy of cutting up the territory into smaller sections.

—The Bank Depositors Insurance Company of America, of Washington, D. C., has opened offices in the new Ouray building. The Philadelphia office is at 1024 Chestnut street and the Richmond office is in the American National Bank building, in charge of Wherry & Co.

—The Great Western Accident Association of Des Moines has reinsured the National Health and Accident Association of the same city. Secretary W. G. Tallman of the National goes to the Great Western as the manager of the industrial department, which has been created to take care of the monthly payment department of the Great Western.

Opinions and Rulings on New York Laws.

A pamphlet has been prepared by a committee of the Actuarial Society of America giving extracts from the opinions of the Attorney-General and the rulings of the Superintendent of Insurance regarding the life insurance laws of New York passed in 1906. It is published by the society as a private matter for the information of its members. Opinions and rulings are given under the following heads: Investment of capital and surplus; estimates and misrepresentations prohibited; valuation of policies; surrender value of lapsed or forfeited policies; limitation of expenses; standard forms of policies; companies issuing participating policies not to do a non-participating business; annual reports of life insurance corporations. In all, some thirty-six rulings and opinions are given, thereby affording a clear insight into the laws as interpreted by two State officials. The society will find ample appreciation of its work in this connection on the part of all concerned in the business.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Firemans Fund Insurance Company, San Francisco, Cal.

An examination made by the Wisconsin Insurance Department of the old Firemans Fund Insurance Company, the new Firemans Fund Insurance Corporation, the Home Fire and Marine Insurance Company (owned by the Firemans Fund Insurance Company) and the Pacific Underwriters (policies guaranteed by the Firemans Fund (two-thirds) and Home Fire and Marine (one-third)), has been completed, and the result is summarized below:

Immediately following the San Francisco conflagration it was anticipated that the assets of the Firemans Fund and the Home would be sufficient to pay all the conflagration losses, but it subsequently developed that this was impossible. The Firemans Fund Insurance Corporation was then formed (authorized capital \$1,000,000, paid in \$800,000), and its stock sold at 200 per cent. The unburned risks of the old Firemans Fund as of April 18 were, on May 22, reinsured in the new corporation, the consideration being about \$2,500,000. The live policies of the Home were canceled, and it is proposed to pay the unearned premiums thereon, and the unburned risks of the Pacific Underwriters were reinsured by the new corporation. The old company continued writing in some States pending the admission of the new corporation, reinsuring such business in the latter, but this practice has been discontinued.

The plan of settlement with San Francisco loss claimants was the payment of 50 per cent of adjusted claims in cash and the remaining 50 per cent in fully paid stock of the Firemans Fund Insurance Company, par \$100 per share, taken at a valuation of \$500 per share. The plan included an assessment of \$300 per share to be levied on the old policyholders, so as to enable the company to continue business with an unimpaired capital of \$1,000,000, and that it should acquire by transfer all the property, good will and business of the new corporation. This proposition was predicated upon an estimate of gross losses amounting to \$11,200,000, with \$2,500,000 of collectible reinsurance, and it was provided that any saving by decrease in claims or increase in reinsurance collected should be divided pro rata among loss claimants signing the agreement, which latter must be carried into effect before January 1, 1907; also provided that such division should not impair the company's capital. It was also arranged that 80 per cent of any profit on business assumed by the new corporation from the old company should go to the loss claimants.

The approved claims against the allied institutions were estimated at \$11,200,000, which included \$1,400,000 of reinsurance, leaving \$9,800,000 of net direct claims. Up to September 20, \$328,790 had been paid; \$10,848,105 were adjusted, but unpaid, and \$113,565 of claims were unadjusted. The company was, at date of the report, October 16, paying a 20 per cent installment on the adjusted claims.

The probable resources of the companies are stated as follows:

Assets of Firemans Fund Insurance Company.....	\$3,000,000
Assets of Home Fire and Marine.....	1,500,000
Collectible reinsurance due, in excess of reinsurance owing.....	1,100,000
300 per cent assessment on two-thirds of present capital stock.....	2,000,000
Total	\$7,600,000
Less return premiums on canceled Home policies.....	500,000
Net resources	\$7,100,000
Capital stock	1,650,000
Cash available for settling claims.....	\$5,450,000
The companies had \$3,203,956 of reinsurance due them, and owed \$1,463,305 for reinsurance, but they only count on about \$2,500,000 being collectible, so that the net amount taken credit for above is but \$1,100,000.	
The company, according to the above statement, would have \$5,450,000 in cash to meet one-half of \$9,800,000 of direct claims, \$4,900,000, and the payment of the remaining \$4,900,000 in stock, at \$500 per share, would require 9800 shares. This number will be obtained as follows:	
New shares to be issued.....	6,500
Old shares returned to company owing to failure of shareholders to meet the call for assessments	3,333
	9,833

At date of the report, over three-fourths of the direct claimants had signed the agreement covering the foregoing plan of settlement, over 83 per cent of Home claimants having signed.

The report also contains a list of the reinsurances of the companies, which are mainly with good companies, though credit is only taken for about 80 per cent. A detailed list of stocks, bonds and other assets remaining with the old company is also presented, with their values as appraised by a committee of the Policyholders League, the total valuation being given as \$4,516,550. The assets of the new corporation are also listed, and their aggregate value, as appraised for the Insurance Commissioner of California, is given as \$2,482,230, or sufficient to safely reinsure its risks.

It is believed that the reinsurance due from and to another company may properly offset, and this position is sustained by the opinion of the Attorney-General of California. The manner of settlement with reinsurance companies of claims not offset, is of relatively little importance, only \$170,000 being so involved.

Examiner S. H. Wolfe states that the destruction of all records rendered the companies' operations very difficult, and concludes by saying:

"In this emergency it is but fair to state that every incident tends to show that it was the aim and the intention of the officers to treat the claimants in a spirit of absolute fairness and justice. The fact that it was the desire of the officers to give the new corporation a name as nearly identical with that of the old company as the statutes would permit is an evidence to my mind that it was their intention to so deal with the policyholders as to bring no reproach upon the name of the institution, for the corporation was established for the purpose of bridging over the emergency, and it is the intention of the officers, as soon as it can be practically done, to reinsure the business of the corporation in the company, and thus enable the latter to continue in the field which it has so honorably occupied for so many years. I believe the settlement offered is fair, and this opinion is shared by practically 80 per cent of those who have claims to be settled."

THE SPECTATOR:

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No. 21.

FIRE INSURANCE COMPANIES AND EMERGENCIES.

IN view of the present agitation over the advance in fire insurance rates, a resumé of the situation is in order. It has been suggested that rates could be considerably reduced if the public would dispense with the services of agents and place their risks directly with the companies. Experience has proved that the public will do their business only through agents who seek for it, and they are willing to pay the bill, although it is not itemized, so that they can see that somebody is receiving 15 per cent for procuring them something they need and must have. The insuring public does not want to go to the trouble of hunting up a company and ascertaining its standing, any more than it wants to go to the merchant for its coal or wood, or to the post office for its mail, so that for the present at least this item in the expense of fire insurance will not be eliminated. Neither will the loss element be greatly curtailed. The public are not ready to take the steps necessary to effect a reduction in these respects, either by ignoring the fire insurance agent on the one hand, nor by a general building of fireproof structures and the elimination of the fire hazard from defective buildings on the other.

It may be asked by some whose property is not subject to the conflagration hazard, why should they bear a part of the extra cost of insurance on account of a hazard that does not pertain to their property; and, still further, that unscathed cities should not be made to suffer for the extraordinary losses of those which have been unfortunate. Insurance, it must be remembered, is simply a device for shifting the burden of losses, so that, instead of falling wholly upon those who suffer them, they would be borne by all whose property is subject to the same liability to suffer loss. If it is argued for any city that its losses are few, it should be borne in mind that this is the very reason why fire insurance rates are not much higher. If every city had experienced what several have passed through during the past two years, it is not easy to guess what the rates would be, even if there were any companies left to make them. Losses are paid from the premiums contributed by the entire field in which a company operates. Such premiums are accumulated in advance, and the company which meets with losses

in excess of those accumulations has no recourse to the policyholders unless it be able to raise the rates on new contracts, and this it must do or go out of business if it finds as a matter of experience that the premiums now collected are insufficient to pay the ordinary losses, plus those due to conflagrations. Sound fire insurance cannot be supplied without adequate premiums. A company that is not good for its losses in San Francisco is not likely to be good for them in New York or elsewhere.

One of the things that should be constantly borne in mind by those who expostulate on account of the cost of fire insurance when the companies have a year of under average loss, is that the companies could not have stood the occasional, but tremendous, drafts upon their resources but for the forethought and business sense of their managers in accumulating, little by little, large surpluses, knowing that some day, sooner or later, the time would come when, if they did not possess the means to pay extraordinary losses, the persons who are foremost in decrying rates to-day would be the first to utter words of condemnation and reproach for the shortsighted policy followed in former years. The manager of a fire insurance company can never escape the foreboding that the savings of years may vanish in a night. He cannot rest with assurance on rates once established. Every day his skill and experience must be applied to the solution of difficult and perplexing problems, the correct solution of which will help sustain his company in the hour of disaster, which will surely come, but when and where no man knows.

Had rates been so low as to preclude the possibility of accumulating surpluses in years prior to the series of disastrous conflagrations this country has suffered within recent times, or had the stockholders selfishly absorbed all the profits, not only would the San Francisco unfortunates have been unable to collect their losses, but all others having insurance in the insolvent fire insurance companies would have been direct losers thereby. Then, without good insurance as a foundation for confidence and business credit, the wheels of commerce would have become clogged and the losses of profits curtailed to a degree which might easily have been in excess of the small portion of the fire insurance premium which goes into these surplus accumulations and which are for the safety and advantage of all.

SOME of the State insurance officials are much interested to know if the officers of the Mutual and the New York Life are spending company money to secure the election of the administration tickets at the coming election for trustees on December 18. These inquisitive Commissioners have undoubtedly taken their cue from the Untermyer-Lawson-Scrugham policyholders committee, which has been circulating freely the most extravagant and untruthful stories regarding the actions of the officers of the companies named. Whether or not they have been spending policyholders' money in behalf of the administration ticket we do not know, but it is certain that they would be recreant to their duty if they did not use every lawful means to advance the interests of their policyholders by securing the retention in office of the present trustees, who are familiar with the business, and who have given proof of their earnestness by removing those evils that

had gradually grown into the administration of the companies. They took up the work of reform, and have prosecuted it so successfully that the saving to policyholders will amount to millions of dollars annually. Untermeyer-Scrugham & Co. would have these tried and experienced trustees turned out to make room for new men, without experience, some of whom are not even policyholders in the companies. Most of them are estimable gentlemen in the lines of business to which they are accustomed, but that does not indicate that they are competent to manage the vast interests of the insurance companies, or to handle the millions of dollars held by them for the benefit of policyholders. To make such a radical change, as is suggested, in the management of these companies is to invite chaos to visit them, and overturn the work of years of conscientious, earnest labor. The company officers have, as required by law, presented as candidates for trustees, gentlemen of high business and social standing, and it is to be hoped that every legitimate means is being employed to secure their election. If necessary, company funds should be judiciously used for this purpose, and the officers would be fully justified in so doing. The Untermeyer-Scrugham committee is using money freely to induce policyholders to vote an anti-administration ticket, and it would be almost criminal if the officers of the companies sat supinely down and permitted these unscrupulous, self-seeking outsiders to undermine the very foundations upon which has been reared such grand benevolent and financial institutions. It is a duty the officers owe to their policyholders to defeat the selfish schemes of the mercenary crew that would destroy the prosperity and future success of the companies. The gentlemen named for trustees upon the administration ticket are deserving of the support of every policyholder.

WHEN the law requiring mutual life companies of this State to make public the names of their policyholders was before the legislature it was criticised in these columns on the ground that life insurance was a confidential matter between the companies and their patrons, and, further, because it would furnish unscrupulous "twisters" an opportunity to extend their business. This prediction has been amply verified, for policyholders in old established companies are being bombarded with letters and circulars from professional "twisters" who seek to create dissatisfaction with the policies in force that they may profit thereby. These documents assert the ability of the "twister" to exchange the policy held by the recipient of them for one that will cost him less and give him equal protection, without charge for his services. If this were true, the work would be highly philanthropic, but unfortunately the "twister" is not built on philanthropic lines. He is working for his own profit exclusively, and would have no hesitation whatever in sacrificing the interests of a policyholder if he could make a dollar by so doing. Whoever listens to his specious pleadings and consents to an exchange of policies, will find that the "twister" has substituted one containing more restrictions or providing for lesser benefits than did the one he surrendered. Most policies increase in value with age, and he who surrenders one loses the advantages that may have accrued to it during its existence. The "twister" does not ex-

plain the differences between the old policy and the one he offers, leaving his victim to find them out later. It is a purely selfish motive that inspires the "twister" to appear so solicitous regarding policyholders' interests, for he gets a liberal commission for every policy he can sell, whether by exchange or otherwise. Policyholders in regular, trustworthy companies should turn down emphatically every proposition that asks them to exchange "old lamps for new."

ANNOUNCEMENT is made that President A. E. Orr, of the New York Life, will retire from that position immediately after the election for trustees on December 18. If the administration trustees are elected Mr. Orr will refuse to be re-elected president, or if so elected, will resign soon thereafter. If the opposition ticket for trustees should be successful, Mr. Orr would naturally be succeeded by some one selected by the new trustees. It was understood when Mr. Orr was chosen president that he accepted the position temporarily and only until a suitable successor could be found. Subsequent events have rendered it desirable for him to retain the position, but the election of trustees affords him the opportunity of laying down duties that have never been congenial to him. He is now quite an old man, very wealthy, and has numerous other cares to occupy his attention. It will be a decided relief to him when he can withdraw from the presidency of the New York Life. There are a variety of rumors as to who will be his successor, but all these are mere guess-work. If the administration ticket is successful at the election, there is a likelihood that one of the present trustees will be chosen; if the opposition ticket should prevail, the whole situation will become chaotic. The policyholders committee that has been spending money so freely to defeat the administration will unquestionably claim their reward in case they succeed in securing a new board of trustees. Therefore, the successor to President Orr may be Untermeyer, Lawson, Scrugham, or somebody who will serve their purposes and give them unrestrained control of the immense assets of the company. This is an outlook that policyholders should consider when preparing to vote for trustees.

WHEN the Armstrong Committee concluded its investigation about a year ago, copies of the testimony taken were turned over to District Attorney Jerome to digest, with a view to ascertaining if criminal actions against certain officers of the life insurance companies should be undertaken. Mr. Jerome last week reported to Governor Higgins that he had examined the testimony regarding the Mutual Life, and does not find that it warrants criminal prosecutions against the officers whose names were rendered conspicuous by the Armstrong investigation. Referring especially to the salary of \$150,000 a year paid to President McCurdy, he says that while this was a scandalous use of the policyholders' money, excessive and immoral, yet it was not criminal, and the trustees who voted the amount could not be convicted of a crime. The same is true regarding the contract with Raymond & Co., which, while excessive, and made in the interests of Mr. McCurdy's son and son-in-law,

it was lawfully made, and no criminal action could be sustained against those who were responsible for making such contract. Referring to the sums disbursed by A. C. Field for legislative corruption, while the expenditure was immoral and scandalous, there is no way of proving that it was corruptly used. Mr. Field has turned State's evidence, but his testimony, without corroboration, would be insufficient to secure the conviction of the officers responsible for such corruption fund. Most of those responsible for the scandalous practices that prevailed under the McCurdy régime in the Mutual cannot be convicted of any offense under the penal code. Dr. Gillette and Mr. Granniss are the exceptions, they being under indictment at present for alleged criminal acts. The decision of the District Attorney is in accordance with the predictions made at the time of the exposure of the Mutual scandals, that no officer would be convicted criminally, for they were protected by the usual course of procedure in corporations. The trustees had given their sanction to the acts of the officers, and the trustees are immune, as they are presumed to have acted according to their best judgment. The matters covered by the report of the District Attorney are things of the past, the new administration having rectified, as far as possible, the shortcomings of their predecessors, and adopted measures that will effectually prevent their repetition in future. As criminal actions will not lie against the persons referred to, it is scarcely likely that the proceedings that have been instituted by the company to recover the money so scandalously paid out by the old administration will meet with success, but those who profited pecuniarily by their acts will continue to enjoy their ill-gotten gains in the obscurity that public contempt has condemned them to.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

Brokers are complaining of dull business and increased competition among themselves, with suspicions of rebate offers. An important Greene street account changed hands last week, and the former broker has the written assurance of the firm that there was no dissatisfaction with the manner in which the account had been handled for several years, but it was only "a matter of terms," which was a great surprise, as there was no contract for sprinklers involved. The old broker is out with an axe for his rival's business, and the onlookers expect to see the fur fly before the winter expires.

There are at least two New York converts to Chinese cheap labor in two adjusters belonging to city companies, lately returned from San Francisco. In company with two others from Chicago, they did not admire the hotel life in the Coast City, and hired a furnished flat on their own account. Then they engaged a Chinese coolie, who turned out to be a perfect treasure, and lived on the best in the market with far more luxury and one-half the expense of the best hotel. Now they wish to reorganize the arrangements at home, but both the Chicago and New York adjusters want the same coolie, and on this rock they split. When they spoke to the Chinese boy about it, he was quite content. However, the two New York men are divided and, as usual with most troubles, there is a woman in the case.

A merchant in a neighboring city is advertising bargains and giving various reasons why he must sell. One of them (as appears in his ad) is that he is obliged to reduce stock on account of the high

rates of insurance. He fails to remark on the necessity of realizing cash to meet maturing obligations.

It is one of the street stories that several offers to place and take stock in new insurance organizations now under way have been made by parties in this city and in other cities in exchange for agency contracts. This is an old method, and has never, within recollection, worked to the advantage of either party. The terms, to be advantageous, must be liberal to the agent, and consequently hard for the company—and in former cases, such contracts have led to quarrels and friction.

The flurry among the subordinates in the Exchange and Board over the reorganization schemes is not yet over. These employees have friends among the members, and have been creating sympathy for themselves for several months.

The Williamsburgh City Fire has sold its property at the northeast corner of Broadway and Liberty street for \$750,000. This item was carried in its statement at a book value of \$564,000.

The German-American has purchased the easterly lot of the triangular block bounded by Maiden Lane, Liberty and William streets from the Northern of New York, where it will erect a sixteen-story office building.

George Francis Warren, an insurance broker of Brooklyn, died recently at his home in that city.

NOTES FROM PHILADELPHIA.

At the annual meeting of the Philadelphia Fire Underwriters Association the following gentlemen were elected members of the executive committee, to serve for three years, viz.: Henry M. Gratz, Richard N. Kelly, Jr., and James A. Payne. They succeeded W. Gardner Crowell, Charles B. Hill and E. J. Durban.

The executive committee of the Philadelphia Fire Underwriters Association last week adopted and promulgated tables which are in future to be used to the exclusion of all others in the canceling at short rate of all policies written for terms of two, three, four and five years.

The directors of the Franklin Fire Insurance Company of this city have authorized the issue of \$300,000 new capital at 200 per cent. Of the \$600,000 to be realized, one-half will be taken to restore its capital and the balance placed to surplus account. The entire issue has been oversubscribed and one-third already paid in.

Wm. L. Bradway has been given an agency of the Southern of New Orleans.

Following is a list of fire insurance stocks sold at auction last week and the prices realized: 15 shares Delaware at 22½, 10 shares at 22¼, and 15 shares at 22; 5 shares Spring Garden at 51½.

Agency changes: J. Howard Brown & Co., appointed by the Dixie Fire of Greensboro, N. C. L. M. Addis, appointed by the Albany, succeeding Stokes & Packard.

A new insurance agency has been started at Atlantic City, N. J., under the firm name of Morgan & Core. Mr. Morgan is an experienced insurance man, having had an agency in Scranton, Pa.

BOSTON AND VICINITY.

At the annual meeting of the Boston Board of Fire Underwriters, Tuesday, the recommendation of the executive committee that an assessment of one and one-fourth per cent be levied on the fire premiums of the city of Boston, for the support of the Boston Protective Department, was adopted.

The report of the treasurer showed expenditures for the year of \$52,491, and a balance on hand of \$4795.

The following offices were elected for the ensuing year: President, George P. Field, of Field & Cowles; secretary and treasurer, Osborne Howes.

Examiner C. W. Fletcher of the Massachusetts Insurance Department has submitted the report of his examination of the American Insurance Company of Boston, to Commissioner Cutting. Commis-

sioner Cutting immediately referred it to the Attorney-General. Later the court ordered an injunction issued on a bill in equity brought by the Attorney-General, at the instance of the Insurance Commissioner, against the American, restraining the company from doing any further business. An order of notice is made, returnable November 23. The experience of the company in connection with the San Francisco disaster has been fully related in THE SPECTATOR. The company was one of the best known in the East, having been in existence fifty years. It stood heavy losses in the Chicago, Boston and Baltimore fires.

The committee on fire protection of the National Board of Fire Underwriters has been looking into the fire protection facilities of the city of Cambridge, Mass. Among other things the water supply is found to be inadequate.

A special committee, representing the fire insurance companies operating in New England, the New England Insurance Exchange, the Boston Board of Fire Underwriters and the projected Suburban Underwriters Association—consisting of W. H. Smith, chairman; George Neiley, representing the New England Insurance Exchange; Edward C. Brush and Herbert Coolidge, representing the Boston Board, and Herman Bird and Theodore Raymond representing the suburban underwriters—held a meeting Thursday, the 22d, to consider the report of the special committee on drafting a constitution and by-laws for a new association, and of investigating the suburban agency situation.

THE MIDDLE STATES.

Death of Theodore P. Johnson.

Theodore Polemus Johnson, second vice-president of the Atlantic Mutual (Marine) Insurance Company, died last week at his residence on Fifth avenue, after an illness of three weeks. The immediate cause of death was Bright's disease.

Mr. Johnson was the son of the late Rev. William Lupton Johnson, D. D., for many years rector of Grace Church, Jamaica, L. I. He commenced his business career in 1865 as a junior clerk in the office of the Atlantic Mutual, and through exceptional ability rose to the position of second vice-president.

Mr. Johnson leaves a widow and two daughters, the elder being the wife of Edwin M. Weed, an Episcopal clergyman of Aberdeen, Miss. The deceased was a gentleman of sterling integrity and winning personality. He leaves many friends, both in and out of insurance circles.

—The Dixie Fire of Greensboro, N. C., has been admitted to New York State. The company has a capital stock of \$500,000.

—At a recent meeting of the Underwriters Association it was decided to rescind the advance, chiefly on mercantile business, made last May at Wilkes-barre, Pa.

—A practical demonstration as to the value of sprinkler protection was recently shown at the fire which occurred in pier 3 of the storage warehouse of the Bush Terminal Company, Brooklyn. The fire originated in the center of the pier among a pile of jute, and by the time the fire department was on the scene the flames had been extinguished by the prompt action of three automatic sprinkler heads. The loss will not exceed a few hundred dollars.

THE WEST.

Ohio Jottings.

[FROM OUR OWN CORRESPONDENT.]

The meeting of the Ohio Fire Prevention Association at Columbus last week resulted in a rejuvenation of the organization and it is believed that all the members, some eighty in number, will now take hold of the inspection work with a will and give it one day a month at least. Absence from the State of many members during the adjustment of the San Francisco loss and the consequent increase of work upon those who remained, caused to neglect the work of the association until there was danger of dissolution. Verbal reports from the fire chiefs of Cleveland, Columbus, Toledo, Youngstown, Springfield, Akron and some other towns to the effect that they have had fewer alarms than ever before from the districts inspected by the association gave a vivid idea of the good that has been accomplished and made the field men feel that they could well spend some time in putting other places in the same category. Bad electrical conditions reported from three or four large risks at Dayton showed further that concentrated action will be necessary in many places to secure improvements. These places will be bulletined

and if the defects are not corrected at once, many of the companies will probably cancel off. This usually brings results. The committee on laws and ordinances has been making good headway in the selection of an electrical code to be adopted by the cities and towns of the State. When an attempt is made to get the code introduced in the various cities and towns, the State will be districted and a committee appointed for each locality to present the code to the councils and explain its value.

The city council at Toledo has passed an ordinance providing for the issue of \$60,000 bonds for the improvement of the fire department, which is very much needed.

Agents at Columbus state that they are getting the new rates that were promulgated under the Dean schedule some time ago. They do not deny that there has been some kicking, but at the same time they are sticking to them. Underwriting in that city is in good shape now and the agents would hesitate to do anything that would result in bad conditions. They had a long siege of unsatisfactory work following the dissolution of the stamping secretary system and have only lately succeeded in readjusting matters.

Field men have begun to realize the difficulties that beset the insured through the miscellaneous inspections that are made and the various suggestions for improvements that are made to him. These are often directly opposed to each other, and as a result the man is left in an uncertain frame of mind. One well-known special agent said a few days ago, that the business would be in much better shape if regular forces of both company inspectors and company adjusters were maintained, allowing the field men to devote their entire time to getting business. Then by locating these experts in the various cities and towns of the State, each to look after certain classes of business, the insured would have but one man to deal with in the inspection work and one in adjustments. Such a system, he said, could only result in greater satisfaction to both the companies and the insured, although it would possibly greatly reduce the number of field men.

A. C. Speed, State agent of the American Central of St. Louis, and the Mercantile Fire and Marine, has moved his headquarters from Toledo to Columbus.

It is said that a New York broker is after a large risk in Cleveland, and that the owners have declared they will not pay the rate asked by the local agents. As it has been impossible for the house to secure the desired amount of insurance, however, the opportunity for a broker to place the business seems rather slim. Local agents know that if it is placed in admitted companies they can get all they want of it direct, and they are not worrying over the attempt of the broker to corral it.

Two of the large retail stores in Cleveland that will be equipped with sprinklers are the Halle Brothers Company and Browning, King & Co.

Officers of the Ohio Fire Prevention Association feel confident that a large number of field men will be present at the inspection of Findlay on November 21. The executive committee is planning to inspect as many towns as possible within the next year and get them in good condition.

A decision has been reached by the Great Lakes Towing Company that all tugs built in the future shall be equipped with fire pumps similar to the ones on the fire boats at Cleveland.

The question of incendiarism has become prominent again through the prosecution of a number of persons within the past week. Sherman Peck of Cardington was convicted of burning a barn in that place on July 27. Freeman Ury was indicted at Findlay on the charge of burning a house in order to secure the insurance. The Fire Marshal's department took Ury to Bryan and had him testify before the grand jury regarding incendiary fires in Williams county and it is believed that he has some damaging evidence. John Phillips, a well-known farmer, was brought before the common pleas court as a result. He pleaded not guilty to the charge of burning his dwelling in April, 1897. The date for the trial has not been set. A number of mysterious fires have occurred at Akron and it is believed that firebugs are at work. An investigation is now under way.

Cleveland, November 19.

O. M. C.

—Henry Schaffer, of Schaffer & Helm of Cleveland, Ohio, is dead.

—W. Scott Clarke, a well-known insurance man of Chillicothe, Ohio, died recently.

—Rowland O. Davies, Milwaukee agent of the Northwestern National, died recently of heart disease.

—E. M. Ebersole, a well-known local agent at Sterling, Ill., died recently, and John H. Wetzel has purchased his agency.

—The Winona Fire of Minneapolis will shortly branch out into New York, Pennsylvania, Massachusetts, Ohio and Illinois.

—The Union of London and the Law Union and Crown have taken up their mountain department at Denver, covering Colorado, Arizona, New Mexico,

Wyoming and South Dakota. This territory has proved uniformly unprofitable, hence the change.

—The Home Fire of McAlester, I. T., is considering the advisability of extending its field, and may enter Arkansas in the near future.

—The Milwaukee Board has adopted the Dean schedule, and the time and manner of its application has been referred to the board of directors.

—The New State Fire of Oklahoma expects to enter various other States after the first of the year. It will increase its capital to \$200,000 and add materially to its net surplus.

—The proposed standard form of fire policy which will be recommended to the Iowa Legislature by the Jamison commission has been found, on perusal, to be fairly satisfactory.

—R. C. Clark has resigned as surveyor of the Indiana League, taking effect December 1, to become Western Pennsylvania special agent of the National Union Fire of Pittsburg.

THE NEW ENGLAND FIELD.

—H. G. Fairchild & Co. of Boston have been appointed agents of the United States Fire.

—A bill to incorporate the Burlington Mutual Fire has been introduced in the Vermont Legislature. The valued policy bill has been killed.

—Local agents at Providence, R. I., are trying to bring about a modification or repeal of the fifteen per cent increase in rates adopted after the San Francisco conflagration.

—The Connecticut Association of Local Fire Insurance Agents has elected the following-named officers: George E. Boyd, president; W. L. Hatch, N. H. Squire, Charles L. McNeil, vice-presidents; E. W. Kneen, secretary; C. I. Beardsley, treasurer.

THE SOUTH.

Gross R. Scruggs & Co.'s Fine Record.

Gross R. Scruggs & Co. of Dallas, Tex., who manage the Southwestern departments of seven excellent fire insurance companies, have made a record thus far this year, of which they might well feel proud. During the first nine months of 1906 the premium income of their office nearly doubled in volume, while the losses fell nearly \$10,000 below those of the corresponding period in 1905. Some idea of the progress, both as to increase in volume and decrease in loss ratio, of the business transacted by this enterprising and successful firm may be gained from the following tabulation of the results for the first three quarters in each of the last two years:

BUSINESS FOR 9 MONTHS, JANUARY 1 TO OCTOBER 1.

NAME OF COMPANY.	1905.			1906.		
	Premiums.	Losses.	Loss Ratio.	Premiums.	Losses.	Loss Ratio.
Williamsburgh City.....	\$37,895	\$17,267	46.0%	\$43,729	\$23,653	52.0%
Westchester.....	54,301	41,569	77.5%	68,688	22,320	33.0%
North River.....	25,835	23,165	90.0%	36,112	13,584	37.5%
Shawnee.....	11,026	7,319	68.0%	34,479	14,336	43.0%
Allemania.....	*422	None	.....	24,507	3,913	16.0%
Union.....	.....	.....	.....	†20,046	129	.6%
State of Pennsylvania...	.....	.....	.....	\$22,395	2,020	9.0%
Totals.....	\$129,479	\$89,320	69.0%	\$249,956	\$79,955	32.0%

* One month. † Five months. § Four months.

—The Globe and Rutgers is entering Georgia through the office of J. L. Riley & Co., Atlanta.

—The National Mutual Fire of Omaha expects to enter all the Southern States by January 1, 1907.

—The Atlanta agency of W. R. Joyner & Son will start with the American of Newark on December 1.

—William Corbell McAfee, former Fire Marshal of Maryland and former chief of the Baltimore fire department, is dead.

—The distillers' associations of Maryland and Pennsylvania have decided to form a mutual insurance company for the protection of distilling property in the two States.

—The Southern Fire of Lynchburg, Va., has entered Texas. McClure, Kelly & Co. have been named as general agents for that State. This agency now represents the Girard Fire and Marine for Texas.

—The fire insurance agency of Hart, Sharpe & Co. of Nashville, Tenn., has been transferred to Shelton, Kirkland & Sharpe, the former firm being dissolved. The new firm is composed of P. A. Shelton, Jr., W. C. Kirkland and Mora Sharpe.

—In view of the two per cent tax law upon premiums for the benefit of firemen's relief funds, which was passed at the last session of the South Carolina Legislature, companies may look for an increase in the cost of transacting

business in Charleston from the first of the year. Rates will probably be advanced in order to meet the enhanced cost. The companies may test the legality of the measure.

MISCELLANEOUS FIRE NEWS.

Good Work by Automatic Sprinklers.

During the past few months, three fires in the property of the Bush Terminal Company, Brooklyn, N. Y., have been controlled by the Manufacturers Automatic Sprinkler system with which the company's property is equipped. The first fire, June 13, 1906, was in store No. 22, containing \$210,000 worth of cotton. Twenty-two sprinkler heads opened, and held the loss well under \$600. The second fire occurred August 16, 1906, in warehouse No. 65, which was completely filled with hemp and jute to the value of at least \$200,000. In this instance, twelve sprinklers operated and limited the loss to a few hundred dollars. The third fire occurred on Nov. 13. In every case the equipment was again in operation within three hours' time. The Bush Terminal Company's property comprises some 100 stores and warehouses, vast piers and manufacturing buildings, all being protected by automatic sprinklers, installed by the Manufacturers Automatic Sprinkler Company of New York at a cost of about \$500,000. The circumstances attending the fire of November 13 were as follows:

At twelve minutes past 11 Tuesday night, November 13, 1906, the automatic alarm in pumping station was sounded, indicating fire on pier No. 3. The engineer at once blew the fire whistle and rang in the department alarm.

The fire department arrived on premises at 11:19 P. M., viz., seven minutes after alarm.

The fire was located about 900 feet from shore end of pier, in section C, and three heads fused.

Directly under these heads was a quantity of jute bales, and from these the fire started. The three heads held the fire under complete control and completely extinguished it unaided.

The fire department did not have occasion to use its engine, but simply put a hose stream on the smoldering bales as they removed them. In all, twenty-five or thirty bales were partly destroyed by fire and water.

The firemen let the three heads spray until 12:15, when they shut off the valve for this section of the pier, the fire having been entirely extinguished at that time. The actual time the sprinklers operated was one hour and three minutes, during which time they sprayed about 7000 gallons of water.

There was positively no damage whatever to the pier, not even the ceiling being scorched.

Outside the jute damage, some slight water damage was done to a quantity of general merchandise which was in vicinity of fire.

Cause of fire is supposed to have been spontaneous combustion.

The whole pier was well loaded with wooden ware, tea, cane, jute, foodstuff and general merchandise.

Three large steamships were at pier, viz.: "Indrapura," "Lothar Castle" and "John Hardie," besides some half dozen lighters and smaller craft.

The pump at time of heads fusing responded at once automatically, also fire valve and air alarms in pumping station worked perfectly.

Water system had 85 pounds pressure on at time of heads fusing, and pump supplied it with 100 pounds pressure in short time. Steam pressure at pump, 70 pounds.

Business went on as usual on following day, and the only sign of the fire was a few boxes of merchandise which were scorched.

VARIOUS ITEMS.

—A rumor is afloat to the effect that arrangements are in progress for the reinsurance of the business of the Prudential in the California Fire.

—Two new fire companies may be organized at San Francisco, provided the next session of the California Legislature does not pass laws inimical to fire insurance interests.

—In an article on insurance libraries, Alfred Manes, LL.D., Ph. D., of Berlin, Germany, highly commends the Boston collection of the Insurance Library Association. He says: "The Boston collection is next to the Utrecht library, managed better and more to the purpose than any other with which I have had an opportunity to become acquainted. Not only books and articles, but every paper and illustration bearing on fire insurance, is here scientifically collected, making the Boston collection at the same time both an interesting archive and museum."

—The Southern Insurance Directory for 1906-1907 has been issued by The Vindicator Publishing Company, Ltd. This is the twentieth annual issue of this valuable publication. The States covered are Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Virginia, and the data comprises lists of agents and companies represented, by town; population, fire protection, license fees, fire field men, life managers, etc. The book comprises over 400 pages, and covers nearly 1500 cities and towns.

—The month of October showed a slight revival of interest in the ranks of the Royal Arcanum, as 782 new members were received, the largest number in many months. There were 116 reinstatements, but 1017 were suspended and 229 deaths, so that the net loss for the month was 348. Since the beginning of the current year there has been a net loss in membership of 20,185, and since May, 1905, the net loss has been 71,288. Death claims were paid during October amounting to \$645,214, and the outstanding claims are reported at \$897,707. Alfred T. Turner has been appointed secretary of the order as successor to the late W. O. Robson.

LIFE INSURANCE TOPICS

BOSTON AND VICINITY.

At the annual banquet of the New England Women's Life Underwriters Association, held at the Parker House, Boston, Monday, the 19th inst., among the speakers were Ex-Attorney-General Parker of Massachusetts and Vice-President Tarbell of the Equitable Life.

Early next month, Jordan, Lovett & Co., Boston, will relinquish the local agency of the Standard Life and Accident, and will be succeeded by Arthur E. Kemp, who has been in charge of the accident and liability department of the above-named firm.

At the annual fall banquet of the Boston Life Underwriters Association, Thursday evening, the 22d inst., among the guests and speakers expected were Ex-Congressman Powers of Massachusetts, Eugene Wambaugh, professor of law at Harvard College, and Dr. George S. Miller, superintendent of agencies of the Phoenix Mutual Life.

The departments of Maine, Massachusetts, Virginia and Colorado are making an examination of the Union Mutual Life of Maine.

The worst possible weather prevailed Thursday, last week, the date of the fall meeting and dinner of the Life Underwriters Association of Central Massachusetts, at Worcester; but there was a good attendance to greet President De Boer of the National Life, who was the chief guest and speaker.

NOTES FROM PHILADELPHIA.

The loss to plate glass insurance companies as a result of the explosion in the subway under construction by the Philadelphia Rapid Transit Company on Market street, turns out to be quite as serious as expected. The United States Plate Glass of this city lost close to \$2000, and the losses of several other companies do not fall much behind that figure. The fact that the coroner's jury found that the explosion was due to the action of a heavy rain in weakening the supports of the gas main causing a fracture, does not offer much toward the establishing of a case against the city, the transit company or its contractor in charge of the work, or the United Gas Improvement Company, but a prominent office here is contemplating the bringing of suits against all the parties above mentioned to recover for its losses through the shattering of glass which it insured, and there is some talk of other companies which were hard hit joining in the suit.

The Philadelphia Life has secured the services of Frank G. Coombes as auditor. Mr. Coombes formerly was secretary of the Bankers Life of New York.

The conclusion of the suit of Muir & Haughton against the General Accident Assurance Corporation to recover \$750,000 for the annulment of their contract with that company, which had been on trial for ten days, was reached on Thursday last, in the giving by the jury of a verdict of \$75,000 for the plaintiffs. The most interesting development of the trial as far as the insurance fraternity is concerned, was the disclosing of how the Muir & Haughton interests were able, in the comparatively short time they have been in business, to secure control of two such important companies as the Union and the Insurance Company of the State of Pennsylvania. Of course, it was known that the General Trust Company was the holding corporation, but no one suspected that they absolutely controlled that company on an investment of about \$1000.

William P. Mifflin, who has for several years had charge of the liability department of the agency of Hoskins & Howell, local representatives of the Aetna Life Insurance Company for liability and accident business, has resigned to take charge of the local liability business of the General Accident Assurance Corporation.

Bonding companies are much interested in the finding of Director of Public Works Hathaway, that the companies which have done the asphalt paving in this city for several years have not lived up to the specifications of their contracts, and his announcement that streets paved under current contracts will have to be repaved, and that when

that work is finished he will take up the matter of those streets that were paved within the five-year period where the bonds for the faithful compliance with the contracts are still in force.

Forty shares of stock of the Philadelphia Life sold at auction last week at \$19 per share.

THE MIDDLE STATES.

—The Reliance Life has entered Alabama, appointing L. C. McCabe, who formerly represented the company at Norfolk, Va., as State manager.

—George Robotham, assistant secretary and auditor of the Mutual Benefit Life, died on November 15 from heart disease. He had been with the company for twenty-seven years.

—The Appellate Division, Third Department, has upheld the constitutionality of an act passed by the last legislature of the State of New York, which provides for a tax on life insurance premiums collected in that State. The opinion was rendered in connection with actions brought against the State Comptroller by the Travelers Insurance Company and the Connecticut Mutual Life.

—The new consolidated life, accident and health policies of the Pacific Mutual Life are proving to be good sellers. The Pacific Mutual Life adds accident and health weekly indemnity to all life, limited payment and endowment policies, on the deferred dividend, annual dividend or non-participating plans, issuing one policy for one premium. In October the New York general agency, under R. M. Beckley, at 68 William street, stood first in amount of premiums on accident business. This agency did twice as well in accident insurance during October as in September, and the life department has made regular increases each month for some time past.

THE WEST.

Indianapolis Incidents.

[FROM OUR OWN CORRESPONDENT.]

The Indianapolis Life has just completed its first year and is now allowing dividend reductions on first premiums.

T. N. Harden, general agent of the Northwestern, reports an unexpected boom in his agency, having received applications for nearly \$150,000 in new business in the last thirty days. Included in this amount were two tens, two twenties and one fifty.

Before the recent State election Governor Hanly appealed to the people to give him a large majority in the next legislature that he might secure various insurance reforms. The election shows a considerably reduced party representation. But the press generally does not regard this as an indication that the people are not in sympathy with the Governor's views.

Chas. E. Farrell, of the \$100,000 Club of the New York Life, and Harry O. Kramer, of the \$200,000 Club of the same company, have joined the agency force of the Indianapolis Life.

After numerous fiascos it was supposed that the State agency white elephant was safely delivered to O. L. Van Laningham, president of the Great Western Agency Company. It seems, however, the whole matter may be reopened again. Under the arrangement with Judge Carter, a few weeks ago, Van Laningham agreed to discharge certain obligations of the State Agency Company and to present receipts to the receiver. When the time arrived Van Laningham failed to deliver the receipts and it is hinted that he desired to have the deal fall through.

Herbert N. Fell, formerly of the agency force of the Mutual Life, spent the past week in this city in organizing the policyholders of Mutual Life and the New York Life for the purpose of opposing the administration tickets of these companies. Tuesday night a meeting at the Commercial Club was held and a number of policyholders gave in their votes—W. H. Hart, former State Auditor, and W. C. Vanarsdel, formerly local manager for the New York Life, assisting in the canvas. The local managers of these companies report no serious opposition on the part of the policyholders.

The Supreme Court has decided that D. E. Sherrick, late Auditor of Indiana, who was convicted and sent to the penitentiary for embezzlement, was acting as agent of the foreign insurance companies and that he could not appropriate the State's money until it was put into the treasury. He has been brought back from Michigan City for a new trial.

AUTOGEST.

Indianapolis, Ind., November 19.

Western Union Life Insurance Company.

Under date of November 6, A. F. MacFarland of Spokane, Wash., advises us that the organization of the Western Union Life Insurance Company at that point has been completed. The company has an authorized capital of \$200,000 with a surplus of \$50,000, all fully subscribed, and the

statutory deposit of \$50,000 has been made with the State officials. Life and endowment forms will be written upon non-participating plans exclusively on a 3 per cent basis, and accident with health insurance features attached. Business will be commenced at once and for the next five years the States of Washington, Oregon, Idaho and Montana will constitute the company's field. The officers elected are: R. L. Rutter, president; A. F. MacFarland, vice-president and general manager; Phillip Harding, secretary; Thos. H. Brewer, treasurer; C. P. Thomas, medical director, and M. A. Folsom, general counsel.

—The Missouri Insurance Department has ruled that after January 1 no life insurance company will be admitted to the State if it issues special contracts not only in Missouri, but anywhere else.

—Joseph H. Harrison, general agent for the Penn Mutual Life at Denver, has been elected to the Colorado State Senate on the Republican ticket, receiving the highest number of votes of any of the three candidates for that office.

—It is now understood that upon his retirement from the position of Insurance Commissioner of Wisconsin, Zeno M. Host will become general manager of the insurance department of the Knights of Pythias, with headquarters at Chicago.

—The Cleveland Life Insurance Company, which has been in process of organization for some time, will write non-participating insurance only. The capital is \$125,000. Wilber Wynant is the organizer, and W. S. Shelton, secretary.

—Governor Hanly of Indiana, who is trying to further some alleged reforms in life insurance practice, is likely to have a lively time at the coming session of the legislature of that State. The railroads, the liquor men and the insurance companies all feel that they are not getting their dues, and, according to accounts from Indiana, these forces are preparing to present a solid front against any legislation that may not appear beneficial to their interests.

—Life insurance managers in Cincinnati are following the example set by fire insurance men in taking active steps to prohibit the office clerks from drawing commissions for work the agent has done on prospects given him by people in the office. A lively meeting was held last week, attended by ten life managers, and it is now understood that none of these will accept or permit their agents to accept any brokerage business from agents of other companies without first informing the manager of the company to which the agent offering the business belongs.

—The West Coast Life is organizing its ordinary department field forces for an aggressive campaign to begin with the new year. In view of the enforced radical changes in the agency methods of many companies, and the West Coast Life's strong local prestige and high standing, a valuable ordinary department staff will doubtless soon be enlisted, especially as the company will operate on the general agency plan. Along this line, George F. Stolt has been appointed superintendent of agencies of the ordinary department and placed in charge of its agency division from December 1.

THE NEW ENGLAND FIELD.

—Last week the Insurance Departments of Maine, Massachusetts, Virginia and Colorado began an examination of the Union Mutual Life, at the request of the company.

—On January 1 the Phoenix Mutual Life will open an educational department, and will place in the hands of its agents a complete educational work through the Dwiggin School of Life Insurance Salesmanship. The company will also supplement this line of instruction through a circularizing department. The Phoenix will also have a new policy form about the beginning of January.

THE SOUTH.

—The Eastern Life Assurance Company of Virginia, with headquarters at Onancock, has been chartered, with a capital of \$200,000 and the following officers: A. M. Nottingham, president; T. M. Scott, vice-president; I. C. Van Pelt, secretary.

—The State Mutual Life of Rome, Ga., reports total business written during 1906 up to November 1, \$21,484,000; average per month, \$2,148,400; insurance in force, \$19,182,500; average gain per month, \$1,618,250.

—The Trinity Life and Annuity Society, Dallas, Tex., is being organized, and expects to begin business about December 1. R. T. Benefield, formerly vice-president and superintendent of agencies of the American Life and Annuity Society of Pittsburgh, Pa., is the organizer.

—The Royal Commission investigating life insurance companies in Canada devoted some time to the Royal-Victoria Life, and the matter of the company's impairment in capital was gone into quite freely. The company's capital was issued at par, and several things had contributed to make its early experience unfavorable. The investigation has turned out to be a good thing for the Sun Life, which was shown to be well managed and to be doing a good business along progressive lines.

MISCELLANEOUS LIFE NEWS.

INSURANCE AND STATE OFFICIALS AT CHICAGO.

Work of Committee of Fifteen Finished—Preliminary Term Permitted in Modified Form—Standard Policies Not Compulsory—Rebates and Special Contracts Forbidden—Salaries of Officers Limited.

[SPECIAL REPORT FOR THE SPECTATOR.]

When the final session of the committee of fifteen Insurance Commissioners was held at Chicago last Saturday, something new had been accomplished in the annals of life insurance in this country and something that is destined to have immense power for good or bad—there is no need of taking a pessimistic view of the matter—in every State of the union. In short, the first codification of insurance laws in the United States—a model code of laws, in so far as it lay within the power of the committee to approach perfection—had been drawn up, ready to be submitted to the legislatures of the various States for adoption. The code consists of sixteen laws, which are presumed to cover the entire field of life insurance; that is, the committee has reduced the known evils of life insurance to that number, and has, in its expectations, at least, provided a sovereign remedy for each of them. Just sixteen doses of the code-panacea, therefore, is guaranteed any state of that dread complaint, so prevalent in some quarters of late, known as life insurance phobia.

The committee's proposed laws are to be submitted to forty-one State legislatures this winter, and a copy of the laws will be transmitted to President Roosevelt by Insurance Commissioner T. E. Drake, of the District of Columbia. Now, many of the provisions contained in the proposed laws have been bitterly and persistently opposed by various life insurance interests, and it is a foregone conclusion that in exactly forty-one States this winter as vigorous warfare will be maintained by these interests to prevent the passage of such legislation. It is by no means a moral certainty that the committee's code will win out in all these battle grounds, but the committee is hopeful.

President Roosevelt has indicated his approval of a scheme for uniform legislation on the subject of life insurance in the various States, in so far as practical, and it is expected that in his next message to Congress he will embody the main features of the report of the committee of fifteen. That this will have its effect on the various legislatures is obvious and the committee looks upon the President's interest in its labors as indicative of a larger measure of success than otherwise would be hoped for.

Primarily, the committee has let it be known that its labors have been in the interest of the "policyholder," and its remedial measures have been designed to correct and present schemes of life insurance management which, in the opinion of the committee, have enabled the management of many of the companies, large and small, all over the country, to profit at the expense of the policyholder.

Unification of insurance laws and the prohibition of extravagance are the main objects sought to be obtained. Summarized the proposed new acts are as follows:

1. Standard policy act, which provides six forms of uniform policies.
2. Annual apportionment act, which requires life insurance companies either to pay annual dividends or credit the amount earned to the different policyholders. This act also limits the amount of surplus.
3. Act prohibiting discrimination and rebating between agents and policyholders.
4. Act prohibiting corporations from acting as agents for life insurance companies.
5. Act regulating the election of directors of mutual life insurance companies.
6. Act prohibiting the publishing of estimates and illustrations which misrepresent the terms of the policy.
7. Act prohibiting life insurance companies from making any kind of a political contribution.
8. Act forbidding companies from expending more than \$5000 for any specific purpose without the consent of the board of directors.
9. Act prohibiting life insurance companies from paying any officer more than \$50,000 a year salary.
10. Act regulating the investment of life insurance company funds.
11. Act making the policy the entire contract between the interested parties.
12. Act defining the status of persons who solicit life insurance.
13. Act prohibiting life insurance companies from issuing participating and non-participating policies.
14. Act regulating the disbursements of life insurance companies.
15. Act regulating the retirement of capital stock of life insurance companies.
16. Act regulating life assessment plan companies.

In the preliminary term matter, which was one on which considerable debate was heard during the first days of the session, the committee changed the proposed law from its original form. Under the proposed legislation as adopted by the committee, the full preliminary term plan is per-

mitted to remain as to certain forms of policies, while the modified preliminary term is permitted as to certain other forms of policies. The change is a concession to the smaller companies, which were afraid the committee would absolutely abolish the full preliminary term plan as applied to all policies and thus cause them considerable loss of business.

In addition to settling this question, the committee adopted the entire proposed plan relating to standard form policies, of which the preliminary term clauses are a part. The law contains six forms of standard policies, but their adoption is not made compulsory. A company may adopt or reject them. If a company does not adopt them, however, it must make its policies conform to the various provisions and prohibitions set forth. In thus providing for the companies which may desire a more flexible formula than possible under standard policies, the Commissioners believe they have paved the way for improvements which may suggest themselves from time to time. The rapid evolution of life insurance in the last few years might be impeded, it was argued, by a hard and fast contract. The adoption of the provisions which must be observed by all companies in their policies, however, was considered by the Commissioners as one of the most important steps in the direction of uniformity in insurance matters in the various States, setting, as it does, a mixed standard or "measuring rod" by which the various forms of policies may be gauged in future.

According to some of the men who have been most prominent in the movement for unification of insurance laws, the standard policy and standard provision acts will minimize political interference in the management of the Insurance Departments of the different States, being calculated to make the office of State Superintendent of Insurance a purely administrative one. The Commissioners in the States that adopt the measure, say its friends, will have no alternative but to see that the letter of the law is enforced. On the other hand, Chairman Thomas D. O'Brien, of the committee of fifteen, stated that the measure added to the responsibilities of a Commissioner, in seeing that the policies of life insurance companies conformed to the measure in every respect.

Another strong measure adopted by the committee is that prohibiting rebating and discrimination, which was framed by Mr. Rittenhouse, the Colorado Commissioner, who had made the subject his special study. By this measure, distinctions in whatsoever form in favor of individuals insured by life companies, or their agents, including such schemes as "special or advisory contracts" are knocked out completely. The most important section of the proposed act—Section I—as approved by the committee, is as follows:

No life insurance company doing business in this State shall make or permit any distinction or discrimination in favor of individuals between the insured of the same class and equal expectation of life in the amount or payment of premiums or rates charged for policies of life or endowment insurance, or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of the contracts it makes; nor shall any such company or agent thereof make any contract of insurance or agreement as to such contract other than as plainly expressed in the policy issued thereon; nor shall any such company or any officer, agent, solicitor, or representative thereof pay, allow, or give, or offer to pay, allow, or give, directly or indirectly, as inducement to insurance, any rebate of premium payable on the policy, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any paid employment or contract for services of any kind, or any valuable consideration or inducement whatever not specified in the policy contract of insurance, or give, sell, or purchase, or offer to give, sell, or purchase as inducement to insurance or in connection therewith any stocks, bonds, or other securities of any insurance company or other corporation, association, or partnership, or any dividends or profits to accrue thereon, or anything of value whatsoever.

An important measure proposed prohibits corporations from acting as agents for life insurance companies, and along with this goes one regulating the election of directors of mutual companies, which is planned after the New York law. Another bill prohibits in unqualified language the issuance of any circular, estimate, statement or any sort of misrepresentation of the terms of any policy issued or the benefits or advantages promised thereby.

Political contributions are unqualifiedly prohibited in a proposed act, which provides that "no insurance company doing business in this State shall, directly or indirectly, pay or use or offer, or agree to pay or use any money or property for or in aid of any political party, committee or organization," etc.

Separate measures were drawn to safeguard the interests of policyholders against two abuses of life insurance management. One bill provides that annual dividends shall be paid or credited to the policyholder, and the company must give him notice annually of the real value of his policy. Another is aimed at the hoarding up of huge surplus by providing that to a certain limit it shall be dispersed among policyholders in annual dividends.

One of the proposed new laws approved at the final session of the committee limits the salary of life insurance officials to \$50,000 a year. Three presidents of life insurance companies, it is said, will be af-

fected by this—President Paul Morton of the Equitable Life, whose salary is \$80,000 a year, President Dryden of the Prudential, and President Hegeman of the Metropolitan Life Company, both of whom receive more than \$50,000 a year.

District Attorney Jerome Investigates the Mutual Life.

Last week District Attorney Jerome filed with Governor Hlggus a lengthy report on his investigation of the Mutual Life. The investigation was started with a view to discovering grounds for criminal prosecution of the officers and trustees of the company, but the result shows that no such action can be taken, except in the cases of Walter R. Gillette and Robert A. Granniss, who are already under indictment. Mr. Jerome expresses the belief that Richard A. McCurdy committed perjury when he testified that he knew nothing about the Raymond contracts, and that Andrew C. Fields used monies to bribe legislators, but points out the difficulty of legally proving such charges. The question of salaries is gone into and the arbitrary opinion expressed that some salaries were exorbitant, but no crime can be proved in this connection.

Mr. Jerome divided the investigation into two parts as follows:

First—A class of transactions in which the committee (Armstrong), after proceeding to a certain extent in its examination, stopped after developing matters which gravely suggested the commission of a crime.

Secondly—A class of transactions, which upon the investigation had, were commonly thought to involve the commission of crimes, and which, at the least, had many, if not all, the moral elements entering into certain well-known criminal offenses.

I conceived it to be my duty to continue the investigation of transactions of the first class, with a view of determining whether the suspicions aroused were well founded and a crime had in fact been committed and could be proved by legal evidence. As to transactions of the second class it became my duty carefully to examine the law bearing on the facts disclosed and to determine whether a crime had been committed, assuming the facts appearing before committee to be susceptible of proof, and to seek out any supplementary evidence which might bring the transactions disclosed within the criminal law.

I have not considered it as a part of my duty to make a general inquiry into each and every transaction of the life insurance companies involved in the investigation, on the theory that possibly criminality might exist.

The law does not impose any general duties of a visitatorial character upon district attorneys in reference to any class of corporations. The insurance law clearly devolves these duties upon the Superintendent of Insurance in respect to insurance companies and provides the machinery whereby he may discharge his duties. When in the discharge of his duties of investigating the affairs of insurance companies the Superintendent of Insurance discovers or has reason to believe that a crime has been committed he should call on the district attorney of the proper county to investigate the matter, but until a district attorney has distinct cause to believe that a crime has been committed it could not be tolerated in an American community that he should put the inquisitorial machinery of the criminal law into operation.

Moreover, it is no part of a district attorney's duty to investigate merely for the purpose of publicity or to reveal wrongdoing not amounting to a crime. Where the public needs require this to be done, a proper method is provided by law, and for a district attorney to investigate merely for such purposes, under guise of seeking out the commission of a crime, would be a gross abuse of his power and would lead to intolerable evils.

The district attorney then enumerates the difficulties of prosecution, as follows:

First—The rule of law that no conviction can be "had upon the testimony of an accomplice unless he be corroborated by such other evidence as tends to connect the defendant with the commission of the crime" has rendered it impossible to proceed in a number of instances where apparently crimes had been committed. It should be noted that this requires corroborating evidence, not to the commission of the crime, but tending "to connect the defendant with the commission of the crime." A single illustration of the operation of this rule of law will render clear the obstacle it presents to a criminal prosecution in certain cases.

Large sums of money were disbursed for so-called confidential purposes. The testimony of the agent handling this money that he used part to bribe an officer would not alone be sufficient even to indict. From the nature of such transactions it is extremely rare that any evidence exists except the testimony of the accomplice alone.

Secondly—The necessity in criminal proceedings of not only proving each fact by legal evidence, but of proving each material fact, not by a preponderance of evidence, but beyond all reasonable doubt even for the purpose of securing an indictment.

Thirdly—The absence of penal statutes designed to meet just such abuses as the investigation disclosed. An examination of the insurance law shows that no effort was made in framing it to prevent such abuses by the enactment of penal statutes specifically applicable.

In connection with the filing of annual statements with the Insurance Departments Mr. Jerome holds that the law was not so framed as to require a verification upon positive knowledge, but simply to the best of the knowledge, information and belief of the person making the verification. He adds:

In more than one instance these reports to the Insurance Department were untrue; but I have been unable to obtain any legal evidence which tends to show that the persons verifying these reports had knowledge

of the particulars in which the reports were untrue. Those officers of the company who were aware of the incorrectness of any report did not verify it and those officers who did verify it were unaware of the incorrectness, or at least could not be proved to have known of it. Consequently it has been impossible to base any criminal proceedings upon the incorrectness of these reports. Moreover, the forms provided by the Insurance Department were not such as were best calculated to guard against these incorrect statements; and, in at least one instance, the Mutual Life was allowed to report upon a form materially different from that provided by the Superintendent of Insurance.

The syndicate participations are referred to as having turned out profitably and there is no evidence to show that the trustees received their individual allotments in syndicates as a consideration for selling or aiding in the sale of securities to the Mutual Life, which action might be construed as bribery.

The district attorney is now investigating the New York Life along similar lines.

Life Insurance Developments of the Week.

At the hearing in the Supreme Court before Justice Dowling in the suit brought by Stephen Farrelly to restrain the New York Life and its directors from using the company's money for campaign purposes, the charge was made that Thomas W. Lawson was back of the International Policyholders Association. Certain officials of the New York Life made affidavits that in their information and belief this was the case. In view of these charges Manager George R. Scrugham of the Policyholders Association issued an affidavit setting forth that Mr. Lawson has no connection with the Policyholders Association.

Considerable space was given last week to accounts of a new company which will be formed by New York Life men in case the administration ticket of that company should lose. The report even goes so far as to say that practically the entire agency force of the company will bolt and join the new company, which will be incorporated in New Jersey with \$2,000,000 capital. It is understood that matters have so far progressed that \$1,100,000 of the \$2,000,000 capital has already been subscribed. George W. Perkins, former first vice-president of the New York Life, is said to be the leading spirit in the new company, reports about which have been circulating for some time.

Emory McClintock, vice-president of the Mutual Life, is said to be suffering from a general breakdown, owing to the nervous strain brought about by the continual extra work in relation to recent changes in the company.

Governor Jelks of Alabama has issued a letter to all residents of Alabama who are interested in the two New York life companies, calling upon them to vote for either of the tickets in opposition to the administration ticket.

The motions to dismiss the indictments against Walter R. Gillette, former vice-president of the Mutual Life, having been denied, this case will have to go to trial after the cases of the Mutual Reserve officials have been disposed of. The indictments against Dr. Gillette charge him with perjury and forgery.

Expense Provisions under Life Policies.

Under the title "Preliminary Term Equities," B. W. Lacy, Jr., actuary of the State Mutual Life Insurance Company of Rome, Ga., has prepared an interesting paper in which he demonstrates that the expense provision under preliminary term policies is mathematically identical with the expense provision under policies which do not contain the preliminary term feature. His conclusions are as follows:

The two companies would have the same expense provisions.

They would pay the same dividends plus surrender values.

They would ultimately furnish the same individual accumulations.

But they would, during earlier years, differ as to equitable treatment of policyholders, the preliminary term company complying without the need of exception or subterfuge with the letter and spirit of proposed and enacted statutes and the straight reserve company making use of methods which will be expressly forbid by the statute, though they may be tolerated in practice.

The two companies would each furnish statutory security.

But the preliminary term policy would give this security in accordance with equity, while the straight reserve company would lessen the total accumulations of older members to give undeserved security during earlier years to new members while that excess security is not rendered necessary by mortality conditions.

Both companies as against select and ultimate or modified methods, comply absolutely with statutory reserve requirements without the aid of peculiarly arranged valuation formulæ or doctored mortality tables.

—Henry W. Cook, medical director of the Northwestern National Life, has prepared an interesting book entitled "Live to Be Ninety," in which he gives valuable information as to the preservation of health.

Casualty, Surety and Miscellaneous

Detroit Conference Meeting.

The Detroit Conference, which is composed of those companies writing industrial, accident and health insurance, closed its meeting at the Chicago Beach Hotel last week, and adjourned to meet in February in New York. The proposed uniform policy was fully discussed and the proposition was generally favored, although there were many different views expressed. A special committee will frame a form and submit it to the next meeting.

The following papers were read: "The past, present and future," by H. G. B. Alexander, president, of the Continental Casualty Company, Chicago; "The doctor as a factor in health and accident insurance," by Dr. W. J. Means, American Insurance Union; "The element of life insurance in accident insurance and life insurance in connection with accident insurance," by D. E. Stevens, Commonwealth Casualty Company, and "Irresponsible and unreliable agents," by F. R. Pitcher, United States Health and Accident Company.

Empire State Surety Changes.

At last week's meeting of the directors of the Empire State Surety several changes in the by-laws were made, eliminating the office of chairman and providing for a finance committee and an auditing committee. John G. Jenkins has retired from the active management of the company, but he will continue on the executive committee. Moses May, second vice-president, was elected first vice-president, succeeding Edmund H. Driggs, and Willard P. Reid, vice-president of the Williamsburg Trust Company, was elected second vice-president. Two new committees were created and are composed as follows: Finance Committee—Frank Bailey, vice-president of the Title Guaranty and Trust Company; David H. Valentine, director Brooklyn Rapid Transit Company and director Mechanics Bank of Brooklyn; Bernard Gallagher, director Manufacturers National Bank of Brooklyn. Auditing Committee—Joseph Huber, president of Otto Huber Brewing Company; John Weber, president of the William Ulmer Brewing Company; Charles Jerome Edwards, Equitable Life Assurance Society; Fenwick B. Small, vice-president Tompkins Realty League and director Jenkins Trust Company.

The Child Labor Law in Relation to Liability Insurance.*

The unit of risk in liability insurance is the dollar of wage earned, and it therefore follows that the lower the wage the smaller the premium per capita. In the earliest days of liability insurance the average rate of wages per capita was assumed at \$500, but in some States the wages were below this average, and in due course of time this deficiency was corrected by an adjustment of the rate of premium, so that, then as now, the premium charge for each individual risk is equalized in the various States for the same class of hazard.

Before the passage of any law restricting the age of children employed in manufacturing, it was not unusual for the parents to be accompanied to the Southern mills by their children, ten years and upwards, the earnings of the youngest being in the neighborhood of \$1.00 per week. Yet, if any one of these little ones should be injured, the parent or guardian would claim damages in an amount quite as extravagant as for any adult, although the premium received by the insurance company was insignificant, the hazard increasing with the youth of the child, and the premium growing smaller. Thus it will at once be recognized that the restriction upon the age of children eliminates an important, if not a very large, portion of the liability hazard. It is important, because the insurance companies have little taste for going into court to defend on the part of the employer any suit brought on behalf of very young children. The employer, in the absence of any restriction as to age, claims to be bound by competition to have his work done as cheaply as his neighbor, while the parents look upon the earnings of the children as their lawful property, regardless of the health and future of the children. Every safeguard is attempted to make the law of practical effect, but is stultified by the false declarations and certificates filed by the parents to enable children

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PROVISIONS OF CHILD LABOR LAWS

LIMIT OF AGE.—P MEANS PROHIBITED.									LIMIT OF HOURS.						
Factories, Etc.		Mines.		CLEANING MACHINERY IN MOTION.		ELEVATORS.			STATE.	Per Day.	Per Week.	BETWEEN HOURS OF		Ages Specified.	Remarks.
Males.	Females.	Males.	Females.	Males.	Females.	No Speed Limit.	Exceed- ing 100 Feet Per Minute.	Exceed- ing 200 Feet Per Minute.				A.M.	P.M.		
10	10	12(i)	P						Alabama			6	7	13	For miners, blast furnaces, smelters and ore reduction works
12(a)(i)	12(a)(i)								Arkansas	10	48	6	7	16	
10	10	14	P								60			14	
12(a)	12(a)	16(c)							California	9	54	6	10	18	
14(b)(c)(i)	14(b)(c)(i)													16	
12(d)(i)	12(d)(i)														
12(n)	12(n)														
14(i)(j)	14(i)(j)														
16(c)	16(c)								Colorado	8				16	
14(f)	14(f)	14	P							8					
16(b)	16(b)	16(b)				16			Connecticut	10				16	
14	14								Delaware	9	54			16	
16(b)(c)(i)	16(b)(c)(i)														
14	14								Florida						
16(c)(j)	16(c)(j)								Georgia			Sunrise	Sunset	21	
15(h)	15(h)								Idaho						
		14	P			16			Illinois	8	48	7	6	14	
16(b)(c)(i)(j)	16(b)(c)(i)(j)	14	P							7		7	7	16	
14	14								Indiana	8				14	
16(b)(c)(i)	16(b)(c)(i)									10	60			16	
		12		16	18				Iowa						
14(o)	14(o)	14	14						Kansas						
16(i)	16(i)	16(c)(i)	16(c)(i)												
14(i)	14(i)	14(i)	14(i)						Kentucky						
12	14			12	12				Louisiana	10	60			18	
14(k)															
12	12								Maine	10	60			16	
15(e)	15(e)									10	60			18	
12	12	12	P						Maryland	10				16	
14(a)	14(a)	14(b)													
16(i)(b)	16(i)(b)								Massachusetts	10	58			18	
14(c)	14(c)			14	14	16	18								
16(b)(i)(j)	16(b)(i)(j)			18	21	14			Michigan		54	6	10	Minors	
14	14													14 Males	
										10	60			15 Females	
16(b)(i)	16(b)(i)													16 Males	
14	14													18 Females	
16(c)(j)(m)	16(c)(j)(m)	14	14			16		18	Minnesota	10		6	7	16	
8	8		P	Minors											
14(j)	14(j)	16(b)							Missouri						
14(e)(i)(j)	14(e)(i)(j)	16	16												
16(b)	16(b)								Montana						
10	10														
14(f)(j)(n)	14(f)(j)(n)								Nebraska						
12	12														
16(b)(n)(j)	16(b)(n)(j)								New Hampshire	10				18	
14	14														
									New Jersey	10	55	7 Midday except Saturday	1-6		
16(i)	16(i)														
10(q)	16(q)														
12(n)(p)	12(n)(p)			18	21	15		18	New York	9		6	9	16	
14	14									10	60	6	9	18	
16(i)(j)	16(i)(j)														
12(i)(r)	12(i)(r)	12							N. Carolina		66			18	
8	8	12	12						N. Dakota	10				18	
14(j)(e)	14(j)(e)														
14	14	14	14			21			Ohio			6	7	16 Boys	
														18 Girls	
16(c)(i)(j)	16(c)(i)(j)	15(e)	15(e)							10	55			18	
14(e)	14(e)								Oklahoma	10				14-18	
16(i)(j)	16(i)(j)	14(e)	14(e)						Oregon			7	6	16	
14	14	16(i)(j)	16(i)(j)												
16(i)(j)	16(i)(j)	P	P	16		16			Pennsylvania	12	60			Minors	
13	13											6	9	16	
15(i)(j)	15(i)(j)			16		18			Rhode Island	10	58	6	8	16	
14	14														
16(i)(j)	16(i)(j)														
12(a)(c)(i)	12(a)(c)(i)	12(a)(c)(i)	12(a)(c)(i)						S. Carolina			6	8	12	
8	8	14	14						S. Dakota	10				14	
14(j)	14(j)														
14	14	14	14						Tennessee						
12	12								Texas			6	6	14	
14(a)(b)	14(a)(b)	14	14												
14(s)	14(s)								Utah						
12	12								Vermont				8	15	
15(e)	15(e)														
16(j)	16(j)														
12	12	12	12						Virginia	10		7	6	14	
12	12	14	P						Washington						
14(t)	14(t)														
15(e)	15(e)														
12	12	12	P						W. Virginia						
14(e)	14(e)	14(e)													
12(n)(t)	12(n)(t)	14(t)							Wisconsin	8	48			18	
14(t)	14(t)	16								10	6 days	6	9	16	
16	16								Wyoming						
		14	P												

(a) Unless widowed mother or disabled father, dependent or orphan. (b) Unless able to read and write. (c) Must attend school twelve weeks each year. (d) If parent or parents incapacitated from labor by illness. (e) During school session. (f) Unless attended school twenty weeks in each year or instructed by qualified person at home. (g) Except fruit, vegetable and provision preserving and manufacture of fruit and berry baskets. (h) For more than sixty days except with consent of legal guardian. (i) Subject to age certificate. (j) Subject to school certificate. (k) Unless attended school four months of preceding year. (l) Subject to permission, in writing, of parent or guardian. (m) Unless attended school for time required by law. (n) During vacation. (o) Factory or packing house. (p) In villages and cities of third class. (q) In cities of first and second class to sell newspapers. (r) Except oyster canning and packing. (s) Smelter. (t) On permit of commissioner, inspector or judge.

under age to secure employment. The net result, however, may safely be claimed as a benefit to the insurance companies.

Second only in importance to the age of children in factories is the question of the number of hours of employment and the restriction in various States as to certain hours when children are prohibited from work. It has been shown, with some semblance of truth, that the greater number of accidents among adults occur during the last portion of their hours of labor, indicating that physical exhaustion commences after a certain time, rendering it more difficult to avoid danger. If this be true with adults, it is more likely to be the case with children working ten hours a day. It is gratifying to notice that a fair proportion of the States have passed laws upon this subject.

In a large number of States there is a law forbidding any child under a certain age (generally fifteen to sixteen) from being employed for any exhibition purposes, but as this particular feature is of little interest to insurance companies no summary has been attempted.

The language of the text of the laws varies considerably even where the intention is the same; for example, the requirement that a child must be able to read and write is qualified differently in each State. It will be necessary, therefore, where any claim depends upon the legal employment of a child and the ability to read and write, to refer to the exact text of the code before coming to any decision on the case.

A similar warning is even more important in the case of age or school certificates, as the form of certificate, the method of record and filing, varies with each State.

In some cases the more recent laws appear to conflict with some existing un repealed code. In such event the latest legislation has been accepted as in force.

The laws are brought down to the close of the various legislative bodies in 1906, and is therefore up to date at this time.

Exhibition of Safety Devices.

The American Institute of Social Service will hold an exhibition of safety devices in New York January 28 to February 9. Applications for space are being filled in order of their receipt. Commissioner-General Kohlsaat of Chicago considers the exhibition so important that he desires to secure it, entire, for the Jamestown Exposition in 1907. European co-operation has been secured, the Belgian Minister of Labor having promised a large part of the Belgian Exposition of Safety Devices and housing. Dr. Muensterberg, the great European authority on public and private charity, will send selected and typical exhibits of sanatoria for consumptives and also for drunkards, first aid to the injured stations of Red Cross stations, workmen's colonies, etc. Dr. Hartman of the Berlin Museum of Security will send a splendid collection, while M. Mamy, director of the Paris Museum of Security, has already shipped valuable material. A large number of prominent men in Europe and America are working for the success of the exposition.

Requests for information, space, etc., should be made to Dr. William H. Tolman, director, 287 Fourth avenue, New York.

Another Surety Deal.

During last week a report was circulated that the Metropolitan Surety Company of this city was acquiring the stock of the Bankers Surety Company of Cleveland. A considerable portion of the stock of the Cleveland company has already been secured by the New York company which is offering par, whereas the market price is about 80. The Metropolitan is said to have negotiated for the purchase of another Western surety company but without success.

American Bonding's New Form.

A new fidelity policy has been issued by the American Bonding Company. It is a blanket schedule form, which enables the employer to bond his employees without their knowledge. Because of the greater hazard on this class of bond the employer is required to subscribe to a number of warranties. In case the employer becomes aware of any irregular manner of living on the part of a bonded employee he must notify the company or it will not be liable. The company is exempted from liability in cases where the account books and vouchers of all bonded employees are not checked up and verified at least once a year.

Casualty Notes.

- A new casualty company is being formed in Butte, Mont.
- A. W. Masters of the London Guarantee and Accident was in New York last week.
- The new casualty company being organized at Columbus will probably be known as the Ohio State Casualty Company.
- The National Casualty of Detroit will soon bring out a new policy on different lines from its industrial contracts now on the market.
- The Northern Assurance Company of England contemplates entering the accident field by the absorption of the Northern Accident Insurance Company in that country.
- The Alliance Against Accident Fraud is distributing the book, "Railroad Casualties and How to Prevent Them," by R. C. Richards, general claim agent of the Chicago and Northwestern Railway.
- Assistant General Manager T. M. E. Armstrong, of the home office of the Ocean Accident, who has been in this country for several weeks visiting the Western agencies, has returned to England.
- Burnett, Ormsby & Clapp of Toronto are prepared to bind London Lloyds on valuable horses, against death or necessity of destruction from any cause in any locality. The rate is 6½ per cent on two-thirds value; limit \$5000.
- Automobile owners, headed by the Automobile Club of Maryland, are talking of organizing a mutual company to insure their machines against fire, liability and accident. Supposed high rates is the reason given for the need of a mutual company.
- Because of numerous excessive claims made for lost and damaged baggage, certain Western railroads are reported to be working on an agreement to compel passengers to ship by express or pay an insurance fee on all baggage containing personal property worth more than \$100.
- The Great Western Accident Association of Des Moines has reinsured the National Health and Accident Association which had about 5000 policyholders, but found expenses too high. The bulk of its business was on the monthly payment plan, and the Great Western will organize an industrial department to carry on this class of business, with W. G. Tallman, former secretary of the National, in charge.

Surety Notes.

- The loss to the Ontario Bank of Toronto through the peculations of Charles McGill, the ex-manager, is officially stated as being \$1,500,000.
- The Commerce Trust Company, which was recently organized at Kansas City, Mo., with \$200,000 capital, will do a fidelity and surety business.
- Leonard C. Jones of Denver, Col., has been appointed State agent for the United Surety. Mr. Jones now represents the Ocean in its mountain territory.
- The Pittsburg Surety Company of Pittsburg, Pa., now has a brokerage arrangement with the Title Guaranty and Surety of Scranton and no longer writes surety bonds.
- The Omaha Surety Underwriters Association has been organized by the surety general agents of that city. H. S. Bryne of the Fidelity and Deposit is president, and J. R. Wells of the Brennan-Love Company is secretary.
- In Texas there are said to be a great many changes soon to take place in important State agencies of surety companies. About the beginning of 1907 there will be opportunities for several surety men in that field.
- The Comptroller of the Currency has approved applications to organize national banks at the following points: Scranton, Miss.; Hawley, Tex.; Wyoming, Pa.; Randlett, Okla.; Riverton, N. J., and Gage, Okla.
- Advices from Baltimore dated November 18, state that the negotiations for the sale of the United Surety stock held by the Commercial and Farmers National Bank of Baltimore to New York parties, has fallen through. Other interests are now said to be negotiating for the purchase of the bank's holdings.
- George G. Brown, general manager of the United Surety of Baltimore, replies to some comment that has been made recently on the affairs of the company, by stating that when he came on from Chicago to investigate affairs for himself he found that not half of the capital of \$500,000 and surplus of \$250,000 had been paid in. In order to continue the business it was necessary to immediately pay in \$400,000 in cash. He reports that the present management is entirely harmonious, that business is increasing and everything is running smoothly.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

American Insurance Company, Boston, Mass.

As a result of the investigations made by the Massachusetts Insurance Department into the affairs of the American of Boston, a temporary injunction has been issued by Judge Morton in the Supreme Court, prohibiting the company from transacting business in Massachusetts. Attorney-General Malone asked later that the injunction be made permanent and that a receiver be appointed, on the ground that the company is insolvent. The report of Insurance Commissioner Cutting shows the assets of the company are \$334,225; its liabilities, \$369,836, and its capital stock, \$300,000. The report shows that since the San Francisco disaster the company has paid out \$294,613.

Centennial State Insurance Company, Denver, Col.

As of July 1, 1906, this company's statement showed assets amounting to \$35,029, with liabilities of \$34,296, including guarantee fund certificates outstanding, \$29,725, and unearned premiums, \$4571. Its surplus was \$733.

Concordia Fire Insurance Company, Milwaukee, Wis.

The issue of \$100,000 of new stock of this company at 150 per cent has been paid for, thus adding \$100,000 to the company's capital, and \$50,000 to its surplus.

Continental Insurance Company, New York.

In its special report to the New York State Insurance Department as of October 31, the Continental's statement shows total admitted assets amounting to \$15,973,365; total liabilities other than capital, \$7,346,953; unearned premiums, \$6,636,774; a net surplus beyond all liabilities of \$7,626,412, and a surplus to policyholders amounting to \$8,626,412. With regard to the Continental's San Francisco losses, the report shows that its gross risks in the burned district, including those acquired by reinsurance, aggregated \$2,544,620, all of which were estimated as total losses. The amount recoverable by reinsurance was \$690,398, and the salvage \$104,349, making a net loss to the company of \$1,749,871. All claims arising from the San Francisco disaster were settled without discount of any kind, and the company reports to the Insurance Department that all losses have been paid, barring \$4700, for which draft had been issued, but not presented in New York at date of this report.

Dubuque Fire and Marine Insurance Company, Dubuque, Ia.

This company, which has taken over the business of the German National of Chicago, will retain the staff and Chicago quarters of the latter for the present. It will also enter Ohio and Kansas immediately in order to care for the business of the German National in those States, but will not enter the Pacific Coast.

Eagle Fire Company, New York.

At a special meeting of stockholders, it was voted to increase the capital stock from \$300,000 to \$600,000 and to authorize directors to sell the new shares at \$60 per share (150 per cent), stockholders to have the right to subscribe for the new stock pro rata. Payment for new stock is required to be made on or before November 30.

Federal Insurance Company, Jersey City.

The issue of \$500,000 of new stock by this company at 120 per cent has been paid for, thus increasing the capital from \$500,000 to \$1,000,000 and adding \$100,000 to the surplus.

Firemans Fund Insurance Company, San Francisco, Cal.

The directors of the Firemans Fund have voted to levy an assessment of \$300 per share upon the stock of the company, and to authorize the financing of the holdings so that a final instalment of 30 per cent may be paid in the near future, 20 per cent having already been paid. A report was submitted to the effect that claimants representing 90 per cent of the San Francisco liability have approved the proposed plan of settlement and rehabilitation of the company. In order to care for the stock which some stockholders may not desire to hold, a market has been made by the formation of a syndicate to buy it. William H. Crocker is at the head of this syndicate.

Franklin Fire Insurance Company, Philadelphia.

On November 14 the capital was reduced from \$400,000 to \$100,000 by lowering the par value of shares from \$100 to \$25 each, and immediately increased by the authorization of 1200 new shares, to be issued at \$50 per share.

The company announces that its issue of \$300,000 new capital at 200 per cent has been oversubscribed. The proceeds will be utilized as follows: \$300,000 to restore the capital, and \$300,000 to surplus. The company will then stand with its San Francisco losses paid: Capital, \$400,000; surplus, \$300,000, and assets, about \$2,000,000.

German Insurance Company of Freeport, Ill.

One of the most important reinsurance transactions on record has been consummated by the reinsurance of the German of Freeport in the Royal of Liverpool. This contract took effect from noon November 15 on all policies in force under which no losses had occurred up to that time. The protection thus afforded policyholders of the German is most timely, and is likewise of benefit to the company in that it prevents further claims piling up against it. The commission on the deal will, it is understood, materially add to the net resources of the German. Fred. M. Gund, the secretary and underwriter of the German, may become connected with the Royal. Most of the field men of the German, it is anticipated, will be retained by the Royal.

The Chicago Title and Trust Company has been appointed receiver for this company.

German National Insurance Company, Chicago, Ill.

The German National of Chicago has reinsured all of its outstanding business in the Dubuque Fire and Marine.

The State Bank of Chicago has been appointed receiver for this company.

Mercantile Fire and Marine Insurance Company, Boston, Mass.

At a recent special meeting of the Mercantile Fire and Marine it was decided to levy an assessment of \$65 per share upon the stockholders. This will yield \$130,000, and this amount, together with the reduction of capital from \$400,000 to \$200,000, will leave the company with a fair working surplus after providing for all its San Francisco losses.

National Mutual Fire Insurance Company, Denver, Col.

This company was examined as of April 1, 1906, when its cash assets (exclusive of \$32,213 of premium notes) aggregated \$20,884. Its liabilities were then stated as follows: Unearned premiums, \$25,037; admitted claims, \$1025; resisted claims, \$5825; total, \$31,887. Up to March 1, 1906, the company operated upon the mutual assessment plan, and has since operated on the mutual all cash plan.

New Amsterdam Fire Insurance Company, New York.

A new fire insurance company is being organized in New York city, to be known as the New Amsterdam Fire Insurance Company. The company will have a substantial capital and a liberal surplus. The business will be managed by the officers of the old New York Fire Insurance Company, and it is proposed to do a general business throughout the country. It is planned to commence operations early in the new year. The incorporators include: Anton A. Raven, president of the Atlantic Mutual Insurance Company; Joseph E. Brown of Blake Bros. & Co., bankers; Noah C. Rogers, of Merrill & Rogers, attorneys at law; William E. Hutchins, president of the North River Insurance Company; W. Edwin Throp of J. H. Throp & Co.; Charles A. Hull, president of the New York Fire Insurance Company; Charles E. Perkins, president of the J. T. Perkins Company; George F. Seward, president of the Fidelity and Casualty Company; George H. Southard, president of the Franklin Trust Company; William A. Nash, president of the Corn Exchange Bank; Horace J. Morse of A. M. Kidder & Co., bankers; Charles H. McCullough, Jr., vice-president and general manager of the Lackawanna Steel Company; Charles J. Peabody of Spencer Trask & Co., bankers; Alwyn Ball, Jr., of Frederick Southback & Alwyn Ball, Jr., real estate; John Notman of Butler, Notman & Mynderse, attorneys at law, and Augustus Colson, vice-president of the New York Fire Insurance Company.

New England Fire Insurance Company, Providence, R. I.

Under date of October 25 this company stated that its surplus amounted to about \$72,500. Its paid-up capital is \$100,000. It expects shortly to increase its capital to \$200,000 and its surplus to \$145,000.

North German Fire Insurance Company, New York.

Nathaniel A. Elsberg has been appointed receiver of the North German Fire.

Northwestern National Insurance Company, Milwaukee, Wis.

The \$400,000 of new stock issued by this company at par was paid in by the end of July last, thus increasing its capital from \$600,000 to \$1,000,000. The net surplus of the company, after providing for all its losses at San Francisco, is more than \$1,000,000.

Sovereign Fire Assurance Company of Canada, Toronto.

This company, which is writing some surplus line business through Starkweather & Shepley of Providence and New York, reports as of October 11 its authorized capital as \$2,000,000; subscribed, \$291,120, and paid in, \$87,213. Its surplus amounted to \$41,570. In addition, it held notes representing stock subscriptions maturing in 1906, 1907 and 1908, amounting to \$190,305. From May 11, 1906, when it began business, to October 11, it collected between \$30,000 and \$35,000 in premiums, and sustained no losses.

Sun Insurance Office, London, Eng.

United States branch statement, October 31, 1906: Assets, \$3,695,673; unearned premiums, \$2,264,445; surplus, \$953,637.

Transatlantic Fire Insurance Company, Hamburg.

It is announced that this company is anxious to compromise and settle with its San Francisco claimants in order that it may continue in business, but, owing to a ruling of the Imperial Insurance Bureau of Germany, which requires a company admitting liability in San Francisco to at once set apart a reserve sufficient to meet all unsettled claims in full or go into bankruptcy, the company finds that it cannot compromise unless 90 per cent of the creditors join in accepting the terms of settlement.

United States Fire Insurance Company, New York.

This company, which suspended business subsequent to the San Francisco disaster and resumed early in August, furnishes a statement as of July 31, 1906, showing total assets amounting to \$552,867. Its liabilities, except capital, consisted of: net amount of unpaid losses, \$136,715, and loans, \$135,000. Its capital is \$250,000, and its net surplus, \$31,152.

Williamsburgh City Fire Insurance Company, Brooklyn.

This company's estimate of its net liability owing to the San Francisco disaster was given as follows under date of October 15, 1906: Adjusted and settled, \$332,783, at a cost of \$754,509; recovered from reinsurance companies, \$204,101, making the net cost to the company thus far \$550,708. Still to be adjusted, \$968,447; reinsurance on this amount to be recovered, \$446,213, leaving, net, \$522,234. As the company is of the opinion that it is justified in estimating a salvage of at least 37½ per cent on this account, owing to the earthquake clause, amounting to \$195,837, the entire liability the company will have to pay is placed at \$326,397. Paid to November 10, \$550,708; estimated to pay, \$326,397; total amount to settle all losses in San Francisco, \$877,105. Of the entire amount of liability in San Francisco, \$570,124 was under the New York standard form of policy, for about 40 per cent of which the company was liable under reinsurance. Under date of October 24, the company states that it has thus far adjusted \$546,191, paying in settlement \$483,469. The amount unadjusted was \$22,933, of which the company is liable under reinsurance contracts for \$16,333, leaving a balance of \$7600 of the company's own policies to be adjusted with the owners of the property. The Williamsburgh City possessed a net surplus as of December 31, 1905, amounting to \$1,492,093.

The company notified its San Francisco policyholders that if their acceptance of the company's offer of settlement was not filed at the San Francisco office by November 20 the offer would be withdrawn. The company agreed to pay 50 per cent of the fire losses in the immediate zone of the earthquake and 75 per cent of the losses incurred in other sections of the city not directly affected by the earthquake. A large number of the policyholders have already accepted this plan of settlement.

THE SPECTATOR:

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No. 22.

FIRE PROTECTION AND INSURANCE RATES.

IN a recent editorial article, The New York Evening Post compares the experience of the stock fire insurance companies with that of the "mill mutuals," and states that if the stock companies reporting to the New York Insurance Department had experienced the same ratio of losses to risks in 1905 as the mill mutuals had averaged for the last ten years, their losses would have been \$10,712,686 instead of \$103,805,000. This may be true; but if the stock companies had only written on the choicest, isolated, best protected (internally and externally) risks, as did the mutual companies, it is altogether probable that their aggregate of risks written would not have exceeded \$300,000,000 to \$500,000,000, and \$25,000,000,000 of property which they did insure would have been deprived of insurance, to the great detriment of the commerce of the country. It is all very well for one company, or a few companies, to start upon the plan of accepting only such risks as shall comply absolutely with certain ideal requirements, and declining to insure other properties; there may be enough such risks to sustain a few companies, and give them sufficient premiums to get a fair average and a very low loss ratio; but what about the vast amount of property which would necessarily go uninsured if all companies should pursue the same course?

Among the foundation principles of the fire insurance business are these: That any risk is insurable at some rate, and that the risk must be rated and written as it is found. Some properties, however, are judged to be so hazardous that no rates obtainable would compensate the companies for writing them, hence they are placed upon the prohibited list; but for all other properties the companies endeavor to fix rates which correctly or approximately measure their fire danger, and to provide insurance, if desired by the owners, at such rates. Not only this, but the stock companies use all due persuasion, including rate concessions, to induce propertyowners to improve their plants, and the allowances made for proper automatic sprinkler equipments, and other fire preventive and protective appliances, are very liberal. Doubtless, if the combined experience of the stock companies was

available concerning risks up to the mill mutual standard, it would be found to be as favorable as has been that of the mill mutuals, and the rates charged upon such risks would be found to compare favorably with those charged by the mill mutuals. If the mutuals should attempt to supply fire insurance to all the people, as do the stock companies, instead of to a small minority, the critics of the stock fire insurance companies would soon learn that the mutuals could not conduct the business at a lower ratio of loss and expense disbursement than the average experienced by the stock companies. Indeed, if all propertyowners could isolate their risks, erect fireproof buildings, and then provide the most approved fire extinguishing appliances, as the mill mutuals require, there would be few fire losses and little need for fire insurance.

IT must have been somewhat of a surprise to Insurance Commissioner Folk of Tennessee when the agents he had summoned to give testimony relative to the allegation that the Mutual Life was using policyholders' money to secure the election of the administration ticket for trustees, declared unanimously that they were working for the success of the administration, but were not spending the company's money for that purpose. One and all stated that they believed it to be for the best interests of the policyholders that the candidates named by the administration should be elected, and that they were spending their own time and money to that end. They had no fear of the autocratic Commissioner, but gave him some facts that he must have found difficult of digestion. The agents of the Mutual have, as a rule, stood loyally by the company, expressing their confidence in its present management, and using their influence to secure its perpetuation. To change from the experienced men who are devoting their time and abilities to the weeding out of old abuses, and have instituted reforms that will save millions of dollars to the policyholders, would be the height of folly. The Lawson-Untermeyer-Scrugham committee propose to substitute for these experienced trustees men who have no knowledge of the business, some of whom have shown so little interest in the company that they are not even policyholders, and who are so widely scattered that it would be almost impossible to ever get a quorum for the transaction of business. This committee of outsiders are spending hundreds of thousands of dollars to defeat the administration ticket, and yet one or two Insurance Commissioners seem to think it a terrible offense that the loyal agents of the company should exert themselves to secure the election of the present trustees and so secure the retention of the present reform management. Four or five of the inquisitive State insurance officials are reported to have resolved upon making a junketing trip to New York to investigate the Lawson-Untermeyer-Scrugham charges that the officers of the Mutual and the New York Life are using company funds in behalf of the administration tickets. The officers have denied doing so, but these Insurance Commissioners apparently give heed to the statements of the irresponsible committee rather than to the reputable officers of the companies. The investigation they propose will serve to keep

their names before the public, and, possibly, furnish them capital to further their political ambitions. The position assumed by these State officials is wholly unwarranted by law, and it is to be hoped that the officers of the companies will refuse to satisfy their curiosity. It would naturally be supposed that in such a contest as is being waged for the control of these companies State insurance officials would remain neutral, as most of them have done. The policyholders have their opportunity to elect trustees if they can secure a sufficient number of votes, and in naming what is known as the administration ticket the company officers are simply doing what the law requires of them. If the agents and the policyholders prefer to retain the present board of experienced trustees to experimenting with untried men in those positions, there is no reason in finding fault with them. The interests at stake are too great to be jeopardized by the clamor of a few men who have personal ambitions to gratify.

INASMUCH as there are now more than one hundred and forty life insurance companies actively engaged in the prosecution of business in the United States, it is hardly to be expected that the action taken by the committee of fifteen at the conference in Chicago will meet with the approbation of all the managers of companies. Nevertheless, it may safely be said that the action taken is much more satisfactory to all concerned than the legislation enacted at Albany last winter, mainly for the reason that full and careful consideration was given to all the arguments advanced pro and con. The conference unhesitatingly turned down the select and ultimate method of valuation, but at the same time divested the preliminary term plan of its most objectionable features by eliminating the possibility of using the entire premiums on high-priced policies for expenses. No attempt was made to limit the volume of new business to be written by the several companies, it being recognized that under the provisions of the laws requiring complete publicity as to the acts of the management, and virtually, though not specifically, limiting the expenses, that question would settle itself, and, at any rate, with the exception of a very few companies it is not likely to be of serious import for a number of years to come. The action as to standard policies should be acceptable to the companies generally, as they are not compelled to adopt the standard forms in their entirety, but must adopt certain standard provisions, most of which are in accord with modern practice. Other bills relating to rebating, the investment of funds, acts of the agent to be those of the companies, policy and application to be the entire contract, political contributions, annual dividends, participating and non-participating contracts are to be issued by the same company, and the election of directors in mutual companies follow closely the laws passed in New York. The committee did what the New York Legislature failed to do in connection with the root of all the evils demonstrated by the Armstrong investigation, in that it provided that there should be an apportionment on existing deferred dividend contracts of the surplus earned by them. If this particular bill is passed by the several legislatures, the surplus so held will be apportioned and held as a liability until the last of it is

paid out on matured contracts. The bills in their corrected form will be submitted to a majority of the State legislatures this winter, and a busy season is in prospect for the company managers. A number of them have already announced their determination to oppose some of the bills, so that there will be opportunity for an interesting comparison as to the manner in which legislators in various States will regard these important measures.

THAT decision of the Supreme Court of Indiana, Judge Hadly presenting it, granting a new trial to ex-Auditor of State David E. Sherrick, is a singular one. On complaint of Governor Hanly, Mr. Sherrick was charged with having embezzled \$145,000 of State funds, was tried, convicted over a year ago, and sentenced to imprisonment. The money he took was paid to him as Auditor and Insurance Commissioner by insurance companies. The law requires such payments to be made to the State treasury. The Supreme Court holds that Sherrick had no right to receive the money, and, as it never reached the State treasury, he is not guilty of having appropriated State funds, hence a new trial is granted. As the sum embezzled had been made good to the State, the insurance companies will not be called upon to pay a second time. It is stated that there is little likelihood of Sherrick being brought to trial a second time.

THE final surrender of the old German Insurance Company of Freeport, after a strong fight in the face of an unprecedented disaster, is a cause of deep regret to many underwriters, even among those who were its active competitors. The officers of the German, together with its field force, displayed untiring energy in their endeavors to keep the old company on its feet, and lacked little of a successful outcome. The interests of its policyholders have been exceptionally well cared for by the reinsurance of its business in the Royal of Liverpool, one of the strongest companies in the world. The well-known ability of the German's underwriting staff, both in office and field, is recognized by the reinsuring company, and it is anticipated that most of them will go with the Royal. The German of Freeport has a history covering over forty years of success, and its passing is one of the most regrettable features of a disastrous conflagration.

At the annual meeting of the Underwriters Bureau of New England, Wednesday, the proposition to amalgamate the Bureau with the New England Bureau of United Inspection was rejected. Gorham Dana was re-elected manager and E. B. Cowles was re-elected treasurer of the Bureau.

There was a meeting Thursday morning of the committees representing the fire insurance companies doing business in New England, the Boston Board of Fire Underwriters, the New England Insurance Exchange, to listen to the report of the sub-committee as to the advisability of forming a new suburban organization. The committee's report was favorable to the project, and it was voted that the organization be formed, so as to have control of the suburban field, with a sole agency provision, a paid inspector in charge of ratings and a representation in the Boston board.

LIFE INSURANCE TOPICS

BOSTON AND VICINITY.

Manager C. A. Ferguson of the United States Life has removed to more commodious offices in the Delta building.

The fall meeting and dinner of the Boston Life Underwriters Association took place at the Hotel Vendome, Thursday evening. Several new members were elected, and a committee was appointed to nominate officers for the ensuing year, to report at the annual meeting in February.

NOTES FROM PHILADELPHIA.

The option on a limited amount of the stock of the Independence Mutual Life of this city, at the par of \$10 per share, will expire on December 1, 1906, at which date the price will be advanced.

The Girard Life of Philadelphia having secured applications for over \$500,000 of insurance among over 200 persons, announces that it is prepared to make the necessary deposit with the State, and therefore has made application for a charter.

A prominent burglary insurance underwriter said, in pointing out the serious epidemic of robberies which has broken out in Philadelphia, Pittsburg and Williamsport, this State: "We are looking for quite a spurt in business to result from this series of persistent and successful robberies, but it is a pity, considering the moderate cost of burglary and theft insurance, that the majority of people wait until they have been robbed to seriously consider the taking out of such a policy, and this notwithstanding the fact that there are more robberies than fires.

Ten shares of the stock of the Philadelphia Life sold at auction last week brought \$19¼ per share, and twenty shares of the same stock brought \$18¾ per share.

THE MIDDLE STATES.

Death of Philip H. Farley.

Early on Thursday, the 22d inst., the genial and popular Philip H. Farley passed away at his residence, 425 West End avenue, New York city. About two years ago he was stricken while attending the session of the National Association of Life Underwriters at Indianapolis and had not been a really well man since. On his return from the recent session of the same body at St. Louis he was obliged to remain at home, finally succumbing to a complication of diseases.

Mr. Farley was born in New York city October 15, 1849, and after his school days entered the dry goods commission business. In 1889 he entered the service of the Mutual Life as an executive special agent and subsequently became the head of that department until it was abolished. Of late years he had occupied a highly confidential position in connection with the executive department, in which capacity he rendered loyal and valuable service. He was an active promoter of association work, serving in 1900 as president of the New York Association, and in October, 1902, he was elected president of the National Association, in which capacity he fully met the expectations of the several members. His unflinching good-fellowship, his cordial geniality and abundant wit made him a most delightful companion at all times, and as his travels covered the length and breadth of the country there are hundreds who will mourn his loss as that of a dear personal friend.

Funeral services were held on Saturday last at the Rutgers Presbyterian Church, Broadway and Seventy-third street, and were attended by representatives of the Mutual Life, the New York Association of Life Underwriters and the National Association, as well as a large number of personal friends. The Masonic burial ceremony was conducted by Ivanhoe Lodge No. 610, of which Mr. Farley was a member.

—The Gustav J. Rau Agency of Brooklyn has been appointed the district manager for the Protective Life Assurance Society of Buffalo for the district of Kings, Queens, Nassau and Suffolk counties.

THE WEST.

Ohio Notes.

[FROM OUR OWN CORRESPONDENT.]

Stockholders of the Columbus Mutual Life Insurance Company, Columbus, met a few days ago and formed a temporary organization by the election of Judge John M. Sheets as temporary chairman, and Attorney John R. Horst, temporary secretary. A committee consisting of C. W. Brandon, C. F. Luthy and S. C. Priest, reported the following names for the temporary board of directors: John M. Sheets, John R. Horst, C. W. Brandon, W. B. Carpenter, E. A. Reeder, Charles M. Peters, J. E. Beery, D. H. Thomas, H. C. Crum, C. F. Luthy, Albert G. Joyce, Emil Kelswetter and George A. Peters of Columbus; S. C. Priest of Newark, and Frank Dwyer of Xenia. A committee was also appointed to secure offices and look after some other preliminary matters.

Cleveland, November 24.

O. M. C.

—The Security Life and Annuity, Chicago, has appointed John H. Dunn, formerly assistant director of agencies, manager for the State of Illinois.

—Wisconsin life companies are complaining about their State tax on premiums, which has been gradually increased from one to three per cent. Last year the Northwestern Mutual Life paid \$331,947 to the State.

—W. D. Vandiver, Superintendent of Insurance of Missouri, in a recent address, strongly advocated the establishment of Western life companies to prevent the accumulation in one spot, like New York, of very large reserve funds.

MISCELLANEOUS LIFE NEWS.

Life Insurance Developments of the Week.

Frank C. Schmidt of Toledo, Ohio, is suing the Mutual Life of New York for the return of premiums paid by him, on the ground that the trust funds of the company were misused. The suit is in the nature of a test case.

The Insurance Commissioner of Kentucky has employed Senator William Lindsay of New York to assist the Attorney-General of Kentucky in fighting the injunction suit brought against the Insurance Commissioner by the Mutual Life to prevent the revocation of the Mutual's Kentucky license.

A number of members of the two policyholders committees, which are opposed to the present administrations of the New York Life and the Mutual, will, after the election, ask Governor Hughes to appoint a special Deputy Attorney-General to take up the suits for restitution that were brought against the three New York companies. These policyholders will also ask the new Attorney-General, William S. Jackson, to proceed against certain insurance company officials criminally.

Among the rumors and charges circulated during the week is one that members of the McCurdy family had contributed to the campaign fund of the Colgate committee, which is working in the interests of the present management of the Mutual. Manager Scrugham claims that Robert H. McCurdy was recently making a tour of the Middle West working up votes for the ticket.

James C. Colgate, head of the committee, denies the McCurdys contributed any money. Mr. Colgate has complained to the New York Department regarding the manner in which the international committee has been getting ballots. He makes this statement:

The law does not contemplate that sealed ballots, sent by mail, shall be received, opened, and for a long period retained by a partisan committee of persons having no connection with the company. To permit the adoption of that course would be to defeat the very purpose of the law and would open the door to the possible coercion of the policyholder and fraud on the company.

Mr. Scrugham immediately came back at Mr. Colgate when he heard of the contents of the latter's letter to the New York Department. Among other things he said:

It was evidently the intention of the legislature to secure a free expression of the will of the policyholders in this Mutual Life Insurance Company, and this has been the sole purpose of the organization and campaign conducted by the international committee. It is ridiculous to suppose, in the light of recent events, that the policyholders would have had any chance whatever to elect their candidates through a system of voting, by which the false and fraudulent lists filed with the Superintendent of Insurance at Albany would have been used. Had these lists not been corrected, over 100,000 policyholders in this company would have been disfranchised.

The purpose of affording the policyholders an opportunity to vote the complicated ballot that has been devised for this election, was that these ballots might be checked and be in proper legal form before they are delivered to the inspectors of election.

Twenty-five per cent of the ballots that have been received by the committee do not comply with the requirements of the insurance law, and these are being sent back to the policyholders for correction.

Again, there are thousands of policyholders who say that they would not dare vote against the administration and send their ballots into the company's office. (They might be lost in transportation.) Letters have been received by us to this effect from every section of the country.

The vote cast at the home office of the Mutual Life has practically ceased, while the largest daily vote we have received has been recorded during the past week. Naturally Wall street's campaign committee are worried, especially as our vote is in correct legal form.

Complaint having been made against the electioneering methods of T. Howard Lewis, the Mutual's Albany agent, President Peabody has informed Insurance Superintendent Kelsey that Mr. Lewis has been instructed to cease campaigning.

The trial of George Burnham, Jr., former counsel for the Mutual Reserve Life, began on Monday before Justice Greenbaum in the criminal branch of the Supreme Court. There are five indictments against him for larceny and forgery. Every talesman examined by Assistant District-Attorney Nott was asked if he knew Senator Thomas C. Platt, Lou Payn, former State Superintendent of Insurance, and Edward Lauterbach, a prominent lawyer. From this it is believed that these men may be brought into the case.

The taking of testimony in this case began on Tuesday, and was documentary. The assistant district attorney announced his intention to prove that, while Frederick A. Burnham might have got the benefit of the money, it was through the advice of George Burnham, Jr., that the books were doctored to cover the theft, and he was therefore guilty of larceny.

Royal Commission Receives Agents.

The delegates of the Life Underwriters Association of Canada appeared before the Royal Commission on Life Insurance and were accorded the greatest consideration by the Commissioners. J. R. Reid made a brief general statement eulogizing the Commission, and he was followed by Thomas J. Parkes, who submitted to the Commission the memorial which had been prepared. Mr. Parkes then read the brief prepared for the association and approved by the executive. Rebating was the first subject in the summary of recommendations made by the life underwriters. This practice should be prohibited by both Federal and Provincial legislation and the company, agent or policyholder being party to a rebate should be penalized. All sorts of advisory board and stock schemes should be prohibited. As to commissions, it was very clearly shown that a commission of fifty per cent was by no means too much to pay agents for the work done. The provision of the Armstrong law that total expenses must not exceed the total loading was characterized as unfair because it discriminates against low premium companies, companies with high net premiums and against all companies giving large guarantees and young or small companies. The law as to first year's expenses was criticised on very much the same lines. Estimates as to probable results on policies were held to be necessary and there is no necessity for making them a subject for criticism. The deferred dividend is considered to be perfectly legitimate and buyers should be allowed to choose between it and stock plans, but quinquennial accountings are favored.

Any legislation which restricts investments reduces the earning capacity of the companies and tends to increase the cost of insurance. The matter of limiting companies to write standard policies is considered unwise and a hindrance to progressiveness in underwriting methods. Publicity was favored as the most effective check to abuses in the business. The Commission was urged not to follow too closely the New York law, which, because of its hasty preparation, is experimental and imperfect. The reading of the recommendations was followed by a discussion of the various subjects enumerated in the recommendations.

New York Life's New Policies.

Agents of the New York Life have been furnished with copies of the new policy forms to be issued after January 1 next. In New York the official standard form as promulgated by the Insurance Department of the State will be used, while in other States and Canada the forms are slightly changed in language, but not in substance. Premium rates will remain at as present, but there are some changes in the guarantees, necessitating the issuance of a new rate book.

The changes in the other States form are as follows:

Consideration clause contains the words "the receipt of which is hereby acknowledged," which makes the policy a receipt for the first premium.

States definitely the date to which the first premium carries the insurance, "constituting payment of the premium for the period terminating on the — day of — 19—." This is sometimes an important point, as frequently the insured wishes the policy dated back a few days, or a few months, in order to have it written at a certain age, or to have the policy mature at a certain time, or to have the premiums fall due at a more convenient season of the year.

Insurance Clause—The words "upon surrender of this policy properly receipted" have been omitted as being superfluous; it is the universal custom to require surrender of the policy on payment of death claim or at maturity, unless the policy has been destroyed.

Payment of Premiums—We have omitted reference to payment of premiums for the various annual, semi-annual or quarterly periods, for the reason that it creates confusion and unnecessary complication. There will be no change, however, in the practice of the company in this respect. Premiums may, as heretofore, be paid annually, semi-annually or quarterly, on written request, in accordance with the tariffs contained in the rate book.

Participation—Dividends—The "Participation" clause being properly a part of the annual dividend clause has been incorporated in that clause and the title changed from "Dividends" to "Annual Dividends."

Loans—The words "failure to repay any such advance or interest shall not avoid this policy, unless the total indebtedness hereon to the company shall equal or exceed the aggregate of all unpaid dividends and accumulations and of eighty per centum of the net value of the policy and all additions thereto and thirty days' notice shall have been given by the company" are not considered necessary because that section of the non-forfeiture provisions which applies "if there is an indebtedness to the company" covers this case more fully, and evidently it is not necessary to state the same thing twice. Furthermore, the reference to the thirty days' notice is indefinite as to how and when the notice shall be sent, and to whom.

Options on Surrender or Lapse—The first column of the table of loan and surrender values has been changed by inserting the words "Full years' premiums paid," because the words "After policy has been in force — years" do not properly fit the loan column. Taken literally, these words would mean that the insured could claim the right to borrow only at the end of the year, on the date when the premium for the succeeding year is due.

Anniversary Date—On the third page of the policy we have added the clause "this policy takes effect as of the — day of — 19—," in order that there should be no confusion between the dates when the policy is executed, or signed, and the anniversary date of the policy.

The company also announces the withdrawal of accumulation, seven-year equalization and non-participating policies at the close of the year and urges that all applications for such contracts should be completed prior to December 20 next. The company will also withdraw its intermediate or adjustable accumulation plans for sub-standard lives and will probably cover such lives on the annual dividend plan with an advance in age corresponding to the necessary extra premium to meet the increased hazard. A definite announcement on this point will shortly be made.

National Association Committees Chosen.

The executive committee of the National Association of Life Underwriters will be composed as follows for the year 1906-07: Stephen F. Woodman, chairman, Boston, Mass.; Ernest J. Clark, 1041-1051 Calvert building, Baltimore, Md.:

Sub-Committees—Speakers.—Frank E. McMullen, Rochester, N. Y.; Robert L. Foreman, Atlanta, Ga.; Wm. W. Booth, Denver, Col.; Geo. H. Allen, Montreal; Everett H. Plummer, Philadelphia; Richard E. Cochran, New York city; I. Layton Register, Philadelphia; Wm. D. Wyman, Chicago; Philip H. Farley, New York City; John Dolph, Cincinnati; Chas. W. Scovel, Pittsburg.

Finance.—Pancoast Kidder, Syracuse, N. Y.; George Benham, St. Louis, Mo.; W. T. Nuttall, Dayton, Ohio; E. R. Putnam, Rochester, N. Y.; Walker B. Freeman, Richmond, Va.; Wm. J. Cameron, Birmingham, Ala.; H. H. Haskell, Los Angeles, Cal.

Membership.—W. M. Wood, Pittsburg, Pa.; J. D. Boushall, Raleigh, N. C.; J. Stanley Edwards, Denver, Col.; John H. Quinlan, Newburg, N. Y.; F. L. Chesney, Kansas City, Mo.; Wm. Goldman, Portland, Ore.

Statistics.—J. W. Iredell, Jr., Cincinnati; J. W. Fitzpatrick, Portland, Me.; B. H. Timberlake, Minneapolis, Minn.; H. E. Aldrich, Des Moines, Iowa; Charles Jerome Edwards, New York city; F. E. Hitchcox, Springfield, Ill.

Topics.—William G. Carroll, Philadelphia; A. J. Birdseye, Hartford, Conn.; Edward O. Sutton, Springfield, Mass.; J. R. Nutting, Atlanta, Ga.; Geo. H. Olmsted, Cleveland, Ohio; J. D. Spenser, Salt Lake City, Utah.

Prize Essays.—Chas. E. Ady, Omaha, Neb.; E. G. Ritchie, Indianapolis, Ind.; J. Perley Kilgore, Worcester, Mass.; Henry J. Powell, Louisville, Ky.; C. W. Orr, Fort Wayne, Ind.; George A. Riviere, Mobile, Ala.

Credentials.—George L. Root, Peoria, Ill.; Chas. B. Whitfield, Newark, N. J.; R. P. Dexter, Montgomery, Ala.; John F. Brown, Erie, Pa.; F. Wibirt Spence, Grand Rapids, Mich.; Thos. J. Stewart, Toledo, Ohio.

Transportation.—Wm. Van Sickle, Detroit, Mich.; M. H. Goodrich, Baltimore; W. A. Wellman, Manchester, N. H.; A. R. Edmiston, Lincoln, Neb.; Benj. J. Apple, Savannah, Ga.; P. S. Campbell, Port Huron, Mich.

The Press.—Jas. W. Janney, Chicago; W. J. Robinson, Buffalo, N. Y.; Frank Woolley, Wilmington, Del.; F. T. Rench, Canton, Ohio; L. D. Wilkes, St. Paul, Minn.; H. C. Cox, Montreal.

—The Committee of Fifteen on uniform insurance legislation has added the following section to the original draft of the bill providing for the election of trustees of mutual life insurance companies, as passed by the committee at its last meeting: "No company shall incur any expense for or on account of any such election, or reimburse any person for any such expense other than as herein authorized, and every director, trustee, officer and agent of the company, within sixty days after any such election, shall file with the Commissioner of Insurance, when required by such Commissioner, an affidavit setting forth all disbursements

made and expenses incurred by him in connection with such election, and any attempt to promote the interests of any candidate or candidates, and no such company or officer thereof shall compel any expense, effort or influence by any agent or employee of the company for or in behalf of any candidate."

—The Insurance Commissioners, in convention at Washington, referred the report of the committee on fraternal insurance to the Committee of Fifteen. The latter, at their meeting in Chicago, referred the report back to the committee on fraternal insurance. What will Mr. Host and confreres now do with the report and the proposed uniform bill is the question being asked by the fraternal people. The present indications are that there will be united opposition to all legislation affecting fraternal societies.

—The Century for December presents as a frontispiece a color portrait of Maude Adams as "Peter Pan," from a painting by Sigismond de Ivanowski. Among the articles which appear in this number are: "A Stranger to the Wild: The White Wanderer," by Charles G. D. Roberts; "Government Model Farms" (series), James J. Hill; "The Shuttle," Frances Hodgson Burnett; "The Conception," by Murillo, engraved on wood by Timothy Cole; "With Whistler in Venice," Otto H. Bacher; "Uncle Eb's Last Day A-Fishing," Irving Bachelor; "Running Water," A. E. W. Mason; "Fair Play for Wayward Children," Alice Katharine Fallows; "Mis' Willing's Stroke," Henry M. Hyde; "Shadow," a Christmas story, by Harry Stillwell Edwards; "Jay Cooke and the Financing of the Civil War," II., Ellis Paxson Oberholtzer; "The Panama Canal," William Howard Taft; "Eastern and Western Ideals," Being a Rejoinder to William Jennings Bryan, by the author of "Letters from a Chinese Official," G. Lowes Dickinson.

INDUSTRIAL INSURANCE

Three-Cornered Industrial Contest.

To make the closing days of the fall campaign for business all the more interesting and strenuous, the Prudential has arranged a spirited three-cornered contest between Philadelphia, Brooklyn and New York. The fight is to be one of joint results for the remainder of the year. The contest grew out of a challenge sent by wire from William F. Hardy, president of Division D, Superintendents Association, to Isaac B. Kilburn, division manager at the home office. A similar challenge was sent to New York, and the two cities promptly took up the challenge of Philadelphia, wiring acceptance. Previous to sending out the challenge a spirited meeting was held in Witherspoon Hall, Philadelphia, and many division managers and assistants addressed the gathering with result that the general sense of the meeting was that "We mean to beat the record made during the week of September 24," the phenomenal results of which are already well known to industrial men.

Four Good Definitions of Life Insurance.

"The wages which a man would have received had he lived to earn them."

"The capitalization of affection."

"The organized love of men for their families."

"The strength of years of plenty applied to the weakness of years of want."—Prudential Record.

Industrial Notes.

—Keep a list of the birthdays of your policyholders; it helps you to get new business.

—E. Reynolds, superintendent in the Memphis district of the Metropolitan, has resigned to engage in business in Seattle, Wash.

—J. A. Watchorn, assistant in the Buffalo district of the Metropolitan, has been promoted to the superintendency of the Amsterdam district.

—The Colonial agency ranks of the industrial departments are led by B. Hokschi of New Brunswick, and the leading ordinary agent is F. E. J. Chrystie of Jersey City.

—At last accounts Nelson L. Griffin was leading the producers of the Life Insurance Company of Virginia, followed by Hall of Danville; Cobb of Anderson, and Ferguson of Greensboro.

—C. J. Nungesser of the town of Union has the honor of leading all the ordinary assistants of the Colonial. The leader of the industrial forces of assistants is M. Schickler of Perth Amboy.

—A. J. McClintock, formerly chief clerk of the agencies division of the Lake Shore territory of the Metropolitan, has been promoted to a superintendency at Waterbury, Conn., succeeding J. T. Burn.

—Edward D. Duffield, assistant attorney-general of New Jersey, has been appointed general solicitor of the Prudential. Mr. Duffield has ten-

dered his resignation as assistant attorney-general. The action of the Prudential directors in selecting Mr. Duffield was unanimous, and was taken at the advice of Richard V. Lindabury, general counsel of the company.

—J. A. DuBray, superintendent of the Prudential at Joliet, Ill., has been compelled to give up his position owing to failing health. Former Assistant Superintendent R. J. Meister of Chicago No. 1 has been appointed his successor.

—The leading manager of the Colonial industrial forces at the present time is L. P. Welsh of Trenton, followed by Louis Janson, Williamsburgh, and P. J. Lee, Paterson. Mr. Welsh also stands at the head of the ordinary list of managers, seconded by Louis Janson of Williamsburgh.

—Prudential assistants who have been advanced to the rank of assistantcies: W. W. Smith, Manchester; T. Senger, Cleveland 1; E. T. Cram, Covington; C. C. Denney, Richmond; J. J. Burns, Saratoga; L. E. Crabbs, Chicago 1; W. E. Tucker, Cedar Rapids; A. M. White, Kansas City, Kan.; W. Wilkinson, Minneapolis.

—The Life Insurance Company of Virginia reports the following changes and promotions: Assistant E. C. Allen, Augusta, Ga., appointed assistant in Greensboro, N. C., succeeding G. L. Clendenin. Agent L. F. Hamacher of Terra Haute, appointed assistant in that district, succeeding J. O. Travic, resigned.

—The following agents of the Columbian National have been promoted to assistantcies: M. B. Pacheco, Fall River; I. Therrien, Manchester; G. V. Hard, Rutland; D. F. O'Connor, Boston; R. J. Christy, Bronx; W. H. Tucker, Concord; T. F. Cooney, New York city; S. Neuhut, Brooklyn; A. H. Sweeten, Camden; E. Goldstein, New York city.

—Division Manager Edward S. Alston of the Prudential recently completed twenty years of service with the company. Superintendent Painter of the Easton district got together all the districts of Division I and so enthused the men that they gave the division during Mr. Alston's anniversary week an issue of 5164 policies, with an actual increase of \$355.22.

—The John Hancock's assistants and agents at Bridgeport got together recently, for a special effort in honor of Superintendent Brown. So satisfactory were the results that the genial superintendent subsequently gave a reception, to which every man on the staff was invited. There were about 120 persons present and everyone was entertained in the most fitting manner.

—Superintendent Reid, of the Prudential at Milwaukee, received a glad some telegram recently, informing him that he led all districts in actual increase for the year ending October 29. Mr. Reid is equally proud of the fact that he has not had a decrease in five years. He is just entering upon his fifteenth year of service in Milwaukee, and while he has all nationalities upon his staff, is the only Englishman among them.

—The Prudential's Cleveland districts Nos. 2 and 3 have been consolidated, and Superintendent J. M. Mackintosh, formerly of McKeesport, has been placed in charge. Mr. Mackintosh has been with the company since July 13, 1896, and has a high record. John Pauer, formerly superintendent at Washington, Pa., takes the vacancy at McKeesport, and Superintendent J. A. Strang is now in charge of the Washington (Pa.) district.

—Here is the prime condition of success—the great secret: Concentrate your energy, thought and capital exclusively upon the business in which you are engaged. Having begun in one line, resolve to fight it out on that line, to lead in it. Adopt every improvement, have the best machinery and know the most about it. Put all your eggs in one basket, and watch that basket. And remember that no one can cheat you out of success but yourself.—Andrew Carnegie.

—The month of November has been the greatest in the history of the Colonial and the handsome results which have been shown are found in each department of the business. The outlook for December is therefore particularly gratifying. There is no question that the company will close the year in a most magnificent manner, and its statement will be a source of great satisfaction to its large army of policyholders, as well as the field representatives themselves. There is a feeling of intense optimism which augurs well for the kind of work which is being done.

—As the year draws to a close the position of the leaders in the field becomes keener. At present the Prudential's superintendency leaders in industrial are: L. F. Miller, Allentown; J. Reid, Milwaukee 1; J. Pauer, McKeesport; G. J. Wink, Wilmington; P. H. Showalter, Denver. Assistant leaders—P. M. Russell, New Albany; C. P. Wurster, Charleston; B. R. Cosby, Joplin. Superintendency leaders in ordinary—M. J. Leonard, New Haven; Z. T. Miller, New York 8; L. F. Miller, Allen-

town; J. T. McKenna, New York 3; H. R. Kendall, Louisville. Assistancy leaders—M. Phillips, New Haven; E. C. Foppert, West Hoboken; O. M. Frank, Boston 4.

—The Colonial reports among its latest changes the following: Appointments to Assistancies—F. E. Francisco, Brooklyn; Thos. Bannon, Hoboken; Wm. Stottlemeyer, York; P. F. Cosgrove, Phoenixville; William Marsh, Germantown; C. M. Mohray, Allentown; Phillip Schwartz, Perth Amboy; Edwin Rumpp, Allentown; Wm. E. Markay, Plainfield; Jacob Painter, Lansdale; O. L. McCabe, Bronx; John Anchak, Trenton; Gilbert O. Destler, Atlantic City; A. P. G. Viglezzi, New York; Albert L. Gallagher, Chester. Assistant M. Schickler of the Perth Amboy section has also taken charge of the Long Branch field.

—Superintendent G. J. Wink, of the Wilmington district of the Prudential, recently tendered a complimentary dinner to his staff, at the Clayton House, in celebration of his fifth year as superintendent of the Wilmington district and of his twentieth year of continuous service with the Prudential. The affair was largely attended and, as a result of canvassing during the week of October 8, the staff presented to the superintendent over three hundred industrial applications, and ordinary to the amount of \$35,000 as a testimonial. Many challenges were offered and accepted, and the balance of the year will be very lively in Wilmington.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The failure of the Exchange, two weeks ago, to hear the recommendations of the committee on economies is commented upon as an evidence that the members of the joint committee are not unanimous in their views. We are informed a portion of the committee hold firmly to the opinion that the Exchange and Board have conferred power upon the committee to put into execution their mandates as to the proposed reorganization, but other members do not accept this conclusion, on the ground that it is in violation of the agreement, which cannot be set aside without a distinct unanimous vote. Pending these questions, there is a feeling of discontent because of the long delay in settling the details of a report.

The secretary of the Westchester returned to the city several days ago from his third trip to the Pacific Coast. He reports a long and lingering delay in the final settlement of the 'Frisco losses, and several companies are now increasing their offers to secure a release of claims. He thinks the reinsurance between companies, excepting those which have withdrawn or are hopelessly bankrupt, have been generally settled on satisfactory terms in all cases, but the Firemans Fund collections for reinsurance are still in abeyance.

While there is still a demand for surplus lines in this city and Brooklyn, it is by no means so large as expected. In the lists sent from Albany, it is noticeable there are a number of risks which are looked upon unfavorably, and the representatives of the surplus line companies are disappointed. The fact seems to be that the fall sales of merchandise have been unusually large, and merchants have not been pressed for extra lines beyond the normal capacity of the city facilities in Exchange companies.

It is reported the Atlanta Birmingham has been seeking reinsurance in the North for their outstanding risks now carried in the name of the Prudential. The amount of premiums involved soars above \$400,000, and, as a choice collection of Southern risks, it is a fair proposition. The business is now carried on through the Prudential.

According to the opinions of brokers, the Lloyds of London must be in receipt of a large volume of American premiums at this time, and their warranty clauses are as varied as the weather in November. Beside special contracts with New York parties, brokers in other cities are sporting such contracts. The losses credited to Lloyds from time to time are suggestive.

The companies have hardly completed their special statements to the Department this month before they have begun to prepare for the December 31 report. There are doubtless many accounts in bookkeeping not complete for November which will be required for the

regular annual statement. Some of the remarks heard among the companies regarding the demand for the November statement are the reverse of complimentary, and the general opinion is that it was called for in deference to the wishes and whims of Western Departments.

With the retirement of several companies which have heretofore made returns of premiums to the fire patrol committee, the question of delinquents rises anew. Under the law, the agents are personally liable as they obligated themselves to make both returns and payments. The Exchange has no such protection as the Board, and is likely to lose some of its assessments. The Exchange, however, is well fortified financially and can stand the loss.

A man walked into the office of the Home last week and paid the cashier \$560 conscience money.

Rudolph Ballin, now with John A. Eckert & Co., will leave that firm on January 1, to become a partner in the brokerage firm of Farjeon, Bagot & Co.

John Howley, a public adjuster and a very popular figure among insurance men, shot himself last week in his room at the Everett House. He had been suffering from cancer of the lip, caused by smoking, and had been despondent for some time. His unhappy end is greatly regretted.

The regular November meeting of the Insurance Society of New York was held on Tuesday evening last at the society's rooms, 16 Liberty street. The feature of the occasion was a lecture by C. L. Harrington, on Wireless Telegraphy, which was illustrated by the use of apparatus.

The Niagara Fire will occupy the grade and tenth floors of the new Dwight building on Liberty street.

J. G. Hilliard has leased the property at the northeast corner of Dutch and John streets for eighty-four years. He intends to erect a modern office building there for the occupancy of his agency.

Duer & Gillespie have leased the ground and second floor of the Mallinckrodt building for ten years from May 1, 1907.

William W. Henshaw, Edward K. Beddall and Warren F. Goodwin have purchased all interests of the estate of the late Henry H. Hall, in the firm of Hall & Henshaw.

At last week's meeting of the New York Board of Fire Underwriters a resolution was adopted retiring William A. Anderson as superintendent of surveys and retaining him in an advisory capacity. A resolution establishing a fee of \$1 for attendance at the meetings and a fine of \$1 upon absent members was finally tabled.

Percy B. Dutton of Syracuse was a New York visitor last week.

John M. Whiton & Co. have been appointed New York city agents of the Western of Pittsburgh.

The Willcox, Peck & Hughes corporation, composed of Albert Willcox & Co., C. E. & W. F. Peck and Walker & Hughes, will, on December 1, consolidate its fire departments in the present office of C. E. & W. F. Peck, and the marine adjusting departments in the Albert Willcox & Co. office.

Manager Carl Schreiner of the Munich Reinsurance sails for England Saturday on the "Caronia."

The German Union Fire of Baltimore, which will commence business January 1, 1907, with a capital of \$200,000 and a net surplus of \$100,000, has given its New York agency to Tileston & Co.

CHICAGO AND THE WEST

A committee has been appointed by the Chicago Board of Underwriters to devise methods of meeting the unusually active competition of the mutuals for Chicago business, the mutuals now writing risks of a class which formerly they looked at with suspicion, even taking plants that are not completely equipped. Lately several plants have gone to the mutuals without anything being said to the Board of Underwriters about it, whereas the custom formerly was to give the board a chance to compete for risks on which the mutuals had made offers. The committee which will be expected to devise means of

meeting the new tactics is composed of Charles Nelson Bishop, I. S. Blackwelder and R. W. Hosmer.

The matter of what rates are to be charged for specific pieces of railroad property in Chicago also has been referred by the Board of Underwriters to a committee for decision. The bulk of railway property in this city, amounting to many millions of dollars, is unrated and generally written under schedules. According to Manager Glidden of the Board of Underwriters, railroad property in which merchandise may be insured specific for the owners or covered under railroad or transportation floaters, should be specifically rated as to buildings and contents, invariably.

BOSTON AND VICINITY.

Herbert Dana has been admitted to membership in the firm of Field & Cowles.

Representatives of the Worcester (Mass.) Board of Trade and delegates from other business organizations of the State, held a meeting in Boston Monday, and discussed the matter of State insurance, with a view to taking further action.

Arthur Graham, special agent of the Old Colony Fire, has been elected a member of the New England Insurance Exchange.

William Williams, Boston, has been appointed New England special agent of the Ben Franklin of Allegheny, Pa.

Judge Morton of the Supreme Court issued a temporary injunction last week restraining the American Fire Insurance Company of Boston from transacting business in Massachusetts. The injunction was issued as a result of a bill of information filed by Attorney-General Malone, who stated that further transactions by the company in this State would be hazardous to the public and its policyholders. Mr. Malone also announced his intention of asking that the injunction be made permanent and that a receiver be appointed on the ground that the company is insolvent. An examination of the affairs of the American by the Massachusetts Department shows that on October 12 last the admitted assets of the company were \$334,225, with liabilities of \$369,836, exclusive of the \$300,000 capital stock. The examination also showed that the sum of \$294,613 had been paid to San Francisco claimants on the basis of forty cents on the dollar. Counsel representing the American appeared before Judge Morton in the Massachusetts Supreme Court at Boston, Friday morning, the 23d inst., and asked for a modification of the injunction. Counsel asked that the court allow the company to continue to settle its claims on the forty cent basis, and thus wind up its affairs. Attorney-General Malone opposed the granting of any modification of the injunction. Judge Morton finally announced that the case would have to go before a master in chancery, and requested counsel to decide upon some person to act in this capacity and report to him.

Later, it was stated that Judge Morton had decided that the American may make payments on the settlements it has already agreed upon with a large proportion of its San Francisco claimants, if security is given to protect its other policyholders in the event of the company turning out to be insolvent. The company declares that it is solvent and can carry out the payments of the adjustments made in San Francisco, and still have sufficient assets remaining to pay its other policyholders in full. The company claims that it will even have something left over for the stockholders.

NOTES FROM PHILADELPHIA.

An Eastern general agency of the Hawkeye of Des Moines, Ia., controlling six States in this section, will be opened in this city next month, under the management of Robert Howell of Colorado, a brother of the president of the company, and Horace Skinner, a son of the secretary, who has been special agent of the company for several years. The firm name will be Howell & Skinner.

The organization of a sister company to the Liberty Mutual Fire of this city has been completed by General Agent George J. Chetwood, under the title Lincoln Mutual Fire Insurance, with a special guarantee fund of \$50,000. Both companies will be operated from the same

office, and it is understood to be the intention of the promoters to eventually consolidate the two in a stock company.

At the meeting of the Fire Insurance Society on Tuesday evening, a very interesting paper was presented by J. W. Watkins on the merit and construction of wire-glass windows. Following the success of the benefit given by the entertainment committee, it is announced that it will hold a smoker early in December, and that it is preparing for the usual annual banquet in January.

James S. Young & Co., who recently resigned as agents of the Mechanics, have been given an agency of the Monongahela.

The long heralded "Rule Book" of the Philadelphia Fire Underwriters Association has made its appearance. It contains the constitution, by-laws, agreement and rules of the association, and is being warmly praised by the insurance fraternity as a very thorough and handy reference for all existing rules, and therefore a great time saver in the detail work of offices.

The old home office building of the Spring Garden Insurance Company at 431 Walnut street, was recently sold to J. R. Turpin of the Mather & Co. agency.

Recent signers of the Philadelphia agreement of April, 1897: J. E. Hyneman & Co., as agents for the United States Fire; Haughton & Muir, as sole agents for the Cosmopolitan Fire.

Stone, Mathews & Co. will incorporate and remove to the first floor offices in the Liverpool and London and Globe building, 331 and 333 Walnut street.

Thirty shares of stock of the Mechanics sold at auction last week at \$47½ per share.

Wilson J. Carroll and Albert A. Marshall of Baltimore, Md., and Herbert L. Rice of Wilmington, Del., have incorporated the Interstate Securities Company, with a capital stock of \$500,000, to act as agents for all kinds of insurance.

E. R. Hunt has been appointed an agent of the United States Fire of New York.

James E. Walsh has been given an agency of the Union of Buffalo.

THE MIDDLE STATES.

Teutonia of Allegheny in New York State.

Percy B. Dutton of Rochester, N. Y., has been appointed New York State manager, outside of the Metropolitan district, for the Teutonia Fire of Allegheny, Pa. The Teutonia was organized in 1871 with \$125,000 capital, and in 1905 increased its capital to \$200,000 and entered New York State. Its statement as of July 1, 1906, shows assets of \$665,125 and a surplus to policyholders of \$445,700, the company having doubled its assets and trebled its net surplus during the past five years. It had no liability in California.

Mr. Dutton will continue his general agency headquarters at Rochester and it is believed will establish the Teutonia upon the same conservative lines as has characterized his successful management of the Humboldt of Allegheny, for which he is also State manager.

New United States Manager of Law Union and Crown.

A. F. Shaw, of the Chicago local agency of A. F. Shaw & Co., will become United States manager of the Law Union and Crown from the first of the year. He will have jurisdiction over the entire United States, with the exception of the New York Metropolitan district and the Pacific Coast States. The head office of the Law Union and Crown in the United States will then be removed to Chicago.

—Logue Brothers & Co. of Pittsburg have been appointed Pennsylvania general agents of the Georgia Home.

—The Insurers Engineering Company of New York has been incorporated, with a capital stock of \$50,000. The directors are: T. H. Swartz, H. G. Harburger and H. W. Richardson.

—Robert R. Tuttle of Syracuse, N. Y., has been appointed Eastern manager of the Northwestern Fire and Marine of Minneapolis. The company will immediately enter New York and Pennsylvania and other Eastern States after the first of the year.

—Theis Brothers of Wilkesbarre, Pa., have been appointed Pennsylvania

general agents of the Hamilton Fire, excluding Pittsburg and Philadelphia. Jacob Theis will be elected a director of the Hamilton Fire at the next meeting of the board of directors.

THE NEW ENGLAND FIELD.

Hartford News.

[FROM OUR OWN CORRESPONDENT.]

That the automatic fire alarm system in the Hartford Courant building is in good working order since it was originally installed several months ago was proved, about 4 o'clock Wednesday morning, when a board in the press room broke one of the thermostats, completed a circuit, waked up slumbering policemen in the vicinity and brought up the nearest engine company on the run. The firemen were "on the job" before any of the occupants and they received a box of cigars from the newspaper for their prompt response.

The statement recently published in a New York daily commercial paper and reprinted to considerable extent in this vicinity to the effect that Theron Upson would decline reappointment as Insurance Commissioner, when his term expires July 1, 1907, is said to be entirely unauthorized. It is not known what nomination Governor-Elect Woodruff of New Haven will make when the legislature opens, though it is the opinion of many that Mr. Woodruff already has in mind an appointee for the Commissionership, which carries with it an annual salary of \$3,500.

The Shawnee Fire of Topeka, Kan., was admitted to do business in Connecticut last week. The general agents of the Shawnee are: J. Ramsay Barry & Co. of Baltimore and New York.

Already many of the smaller calibre companies have applied and been admitted to Connecticut in the anticipation of picking up business, which will not be renewed as written, on account of San Francisco and its developments. Next year it is believed that many more companies which have heretofore been doing local business for the most part, will spread out and apply for admission to this State.

Hartford, November 26.

UNDERWRITER.

—The Shawnee Fire has been admitted to Connecticut.

—George Steele, Jr., senior member of the local agency firm of George Steele Sons & Co., Gloucester, Mass., is dead.

—The bill prohibiting the brokerage of insurance has passed the Vermont Senate, having previously passed the House.

—James M. Forbush is planting the Hamilton Fire in Connecticut and Massachusetts. His first appointment was that of Albert M. Gleason at Springfield, Mass.

—William Williams, Eastern States special agent of the Northern of New York, has been appointed New England special agent of the Ben Franklin. Mr. Williams retains representation of the Northern.

THE WEST.

Ohio Jottings.

[FROM OUR OWN CORRESPONDENT.]

A number of special agents were in Cleveland this week looking after improvements on certain risks that the inspection bureau had failed to obtain. It seems that the owners had been notified several times of the dangerous condition of the risks, but failed to respond to numerous requests for improvements. It was believed that personal requests from a number of field men at the same time would accomplish the purpose.

Twenty-eight field men met at Findlay on Wednesday to make a general inspection of the business and manufacturing risks of the town under the auspices of the Ohio Fire Prevention Association. They found conditions fair.

George R. Gamble, arrested at Zanesville last week on the charge of arson, has, according to the investigation of the Fire Marshal, had fires during his career as follows: Six at Champaign, Ill.; one at Boulder, Col.; two at Urbana, Ill.; two at Tuscola, Ill.; three at Denver; one at Evans, Col., and one at Zanesville.

The Grocers Mutual Fire Insurance Company of this State is ready for incorporation, it is stated, the required amount of business having been pledged. The membership will be limited to the wholesale and retail grocers. W. H. Cook of Springfield, Ohio, will be the secretary of the company.

A motion has been filed in the Supreme Court to require Wm. M. Hahn and Edwin Mansfield, trustees of the old Buckeye Mutual Fire of Shelby, to show cause why they should not pay certain return premium claims, amounting to \$1388. They assert they paid these to Robert E.

Hutchison who claimed to represent the creditors in question. It would seem that the trustees will have to prove that the claims were paid to Hutchison and that he represented the claimants, or be required to make up the amount.

O. M. C.

Cleveland, November 24.

—Given Campbell, a well-known attorney of St. Louis, is dead.

—William K. Wallace, a prominent local agent at Crawfordsville, Ind., is dead.

—J. M. Sears has been appointed local agent of the Hamilton Fire at Cincinnati.

—The Grocers Mutual Fire of Toledo, Ohio, has been organized, with E. G. Ashley president.

—The Pittsburg Fire and the Southern National of Austin, Tex., are preparing to enter Missouri.

—A. J. Love, secretary of the State of Nebraska, has been appointed Nebraska special agent of the Shawnee Fire.

—The Central Manufacturers Mutual of Van Wert, Ohio, has resigned from the International Association of Factory Mutual Insurance Companies.

—E. T. O'Kane, formerly assistant secretary of the Western Mutual Fire of Urbana, Ohio, is organizing the Ohio Mercantile Mutual Fire of Delaware, Ohio.

—The Missouri Fire Prevention Association has elected the following officers: P. H. Knighton, president; Madison Nelson, vice-president, and Charles W. Crossan, secretary.

—William Fulton, general adjuster of the Springfield Fire and Marine, is seriously ill at his home in Kansas City. Mr. Fulton is past seventy years of age. But slight hopes are held out for his recovery.

—William P. Kelley, former inspector at South Bend, Ind., will take charge of the rating of Northern Indiana for the Sellers Bureau, and L. C. Butler, inspector at Terre Haute, will take charge of the rating in that vicinity for the same interests.

—It is reported that Frank B. Fulling of Boonville, Ind., arrested and indicted on a charge of arson in burning the town of Lynnville, has filed suit through his attorneys against ten fire companies to recover \$17,000 insurance, which he claims is due him for loss sustained by the fire.

—The receiver for the German of Freeport has notified agents of that company to return at once all policies canceled prior to November 15. Unless in the hands of the receiver by November 29, they will not be recognized as having been canceled previous to November 15, and will have to take chances on the receivership settlement.

—The lake marine companies have suffered a bad year, the losses of last week alone adding some \$250,000 to the aggregate. Any hope of profit on the hull business was long since given up, the cargoes showing only a narrow margin. The losses were made heavier by the abrogation of the deductible average of one-half of one per cent, which barred claims for losses of less than one-half of one per cent of the total insurance.

THE SOUTH.

—The Union Marine of Liverpool has entered Texas.

—W. T. Craycroft, senior member of the firm of Craycroft Brothers & Dyer, of Dallas, Tex., is dead.

—Hugh Kirkpatrick, of the Atlanta office of the South-Eastern Tariff Association, has been promoted to special agent by Secretary C. C. Fleming.

—The Kentucky Board of Fire Underwriters has elected the following officers: B. F. Weitzel, president; John L. Smith, vice-president; C. F. Snyder, secretary.

—The stock of the German Union Fire of Baltimore is reported as having been oversubscribed. The election of officers and directors will be held in a week or so.

—M. A. Shumard, Southern general agent of the German of Freeport, is reported to have declined to turn over the records of that company to the Royal, claiming them as his personal property. All the business written through this general agency contained a non-cancellation clause.

—R. N. Hughs, formerly secretary of the Atlanta Birmingham Fire, was the recipient of a handsome present recently from his associates in the company, which took the form of a jeweled watch charm representing the insignia of the order of Knights Templar, in which he is an active member.

—In his annual report, President Sowards, of the Kentucky Board of Fire Underwriters, recommended that in towns where an excessive local license is imposed, the rates be advanced to cover the increased outlay, the advance to be collected by pink slip attached to all policies so that the public's attention may be called to the fact that in the end the tax is included in the cost of insurance.

—A committee consisting of President Milton Dargan, Dan B. Harris and E. E. Paschall has been named to reorganize the Atlanta office force of the South-Eastern Tariff Association, as, owing to the increasing work of the association, Secretary Fleming has asked that he be relieved of some of the heavier detail work now devolving on him. It is probable that a manager will be secured to handle details, while Mr. Fleming will continue secretary of the executive committee.

MISCELLANEOUS FIRE NEWS.

Surplus Funds and San Francisco Losses of Fire Companies.

Below will be found brief extracts from the statements of some of the principal fire insurance companies, as of October 31, 1906, showing their surplus funds November 1, as compared with January 1; also data concerning their San Francisco losses. The surplus funds of foreign companies are those of their United States branches:

NAME AND LOCATION OF COMPANY.	SURPLUS TO POLICYHOLDERS.		SAN FRANCISCO CONFLAGRATION LOSSES.		
	January 1, 1906.	November 1, 1906.	Net Losses Incurred.	Paid in Cash Nov. 1, '06.	Unpaid November 1, 1906.
Ætna, Hartford.....	11,036,011	8,360,641	2,918,990	2,716,867	202,123
Albany, Albany.....	\$502,393	\$542,239			
Agricultural, Watertown.....	1,357,262	887,195	\$869,470	\$760,551	\$108,919
Assurance Company of America.....	623,504	306,177	400,750	193,696	207,054
Atlas, London.....	801,632	615,063	1,720,518	1,558,878	161,640
British-American, New York.....	318,727	231,428	158,461	119,265	39,196
British America, Toronto.....	496,403	420,871	718,539	502,242	216,297
Buffalo Commercial, Buffalo, N. Y.....	332,528	332,264			
Buffalo German, Buffalo, N. Y.....	1,834,627	1,682,144	259,022	220,529	38,493
Caledonian-American, N. Y.....	291,778	221,579	76,956	53,357	23,599
Caledonian, Edinburgh.....	667,260	280,820	2,392,719	1,656,717	736,002
City of New York.....	495,602	464,001			
Cologne Reinsurance, Cologne.....	458,960	434,683	858,000	743,000	115,000
Colonial Assurance, New York.....	330,255	328,530	19,342	12,367	6,975
Commerce, Albany.....	349,212	381,325			
Commercial Union Fire, N. Y.....	330,124	271,683	111,893	45,890	66,003
Commercial Union, London.....	1,570,994	2,010,840	1,936,005	1,063,228	872,777
Commonwealth, New York.....	1,004,977	1,056,291	13,160	13,160	
Connecticut, Hartford.....	2,693,973	1,908,157	2,452,111	2,284,627	167,484
Continental, New York.....	9,424,225	8,626,412	1,749,871	1,749,871	
Dutchess, Poughkeepsie.....	375,519	498,068	433,628	255,510	178,118
Eagle Fire, New York.....	676,072	393,302	497,602	340,413	157,189
Empire City Fire, New York.....	288,345	288,969	67,499	48,246	19,253
Equitable F. and M., Providence.....	638,591	426,220	264,750	264,750	
Fidelity, New York.....		2,141,579			
German Alliance, New York.....	1,029,132	871,015	256,537	243,000	13,537
German-American, New York.....	7,942,675	6,646,204	2,297,830	2,184,998	112,832
German, Freeport.....	2,152,065	224,669	2,874,014	1,048,118	1,825,896
Germania, New York.....	3,889,661	2,024,466	2,050,331	1,473,440	576,891
Glens Falls, Glens Falls.....	2,794,065	1,963,740	997,330	902,441	94,889
Globe and Rutgers, New York.....	1,656,147	1,603,842	727,114	608,318	118,796
Hamburg-Bremen Fire, Hamburg.....	504,268	491,196	1,582,502	1,083,750	498,752
Hamilton Fire, New York.....	154,328	243,339	2,445		2,445
Hartford, Hartford.....	6,374,820	4,695,284	6,766,937	6,539,523	227,414
Home, New York.....	11,720,501	10,461,758	2,125,721	*1,957,151	168,570
Hanover Fire, New York.....	1,925,516	1,513,013	1,398,035	911,982	486,053
Indemnity Fire, New York.....	294,786	226,267	122,441	72,674	49,767
Law Union and Crown, London.....	576,037	310,779	1,707,412	1,568,150	139,262
Liv. and London and Globe, Liv.....	5,262,280	5,217,199	4,003,566	3,838,820	164,746
Liv. and London and Globe, N. Y.....	407,386	445,022			
London Assurance, London [Fire].....	857,682	608,077	4,675,409	4,383,193	292,216
London and Lancashire Fire, Liv.....	1,149,732	1,245,631	3,630,605	3,232,658	397,947
Lumber, New York.....	311,890	315,243			
Mercantile F. and M., Boston.....	468,281	671,691	487,128	401,120	86,008
Moscow Fire, Moscow.....	658,859	427,503	278,792	241,917	36,875
Munich Reinsurance, Munich.....	1,289,221	866,767	2,249,973	1,931,985	317,988
Nassau, Brooklyn.....	451,458	310,074	187,599	136,537	51,062
National Fire, Hartford.....	3,314,305	2,067,279	2,569,578	2,415,016	154,562
Niagara Fire, New York.....	2,310,412	1,576,743	2,130,399	1,948,309	182,090
Northern, London.....	1,365,348	1,152,018	2,317,298	2,102,846	214,452
Northern, New York.....	450,996	491,704	2,467	2,467	
North British & Mercantile, N. Y.....	696,026	749,910	13,500		13,500
North River, New York.....	790,895	567,257	380,717	231,555	149,162
North British and Mercantile, Lon.....	2,939,531	2,804,876	3,201,138	2,904,500	296,638
Norwich Union Fire, Norwich.....	891,798	208,271	1,434,471	830,726	603,745
Orient, Hartford.....	1,297,529	718,335	792,981	635,091	157,890
Pacific Fire, New York.....	368,792	352,469	55,176	27,247	27,929
Palatine, London.....	1,069,663	1,380,435	1,693,007	855,343	837,664
Pelican Assurance, New York.....	319,803	259,199	468,147	389,414	78,733
Peter Cooper Fire, New York.....	231,906	200,515	52,503	39,097	13,406
Phenix, Brooklyn.....	3,236,779	1,408,957	2,988,122	2,717,209	270,913
Phenix, London.....	1,295,271	1,543,608	2,471,383	2,236,929	234,454
Phenix, Hartford.....	4,380,939	3,113,941	1,771,104	1,675,773	95,331
Providence Washington.....	1,168,039	631,411	792,659	691,235	101,424
Rochester German, Rochester.....	689,659	834,532	603,902	435,735	168,167
Rossia, St. Petersburg.....	733,245	460,850	1,172,503	700,316	472,187
Royal Exchange, London.....	894,225	934,628	2,948,028	2,887,395	60,633
Royal, Liverpool.....	2,852,126	2,615,360	4,635,553	4,277,768	357,785
Salamandra, St. Petersburg.....	589,255	546,106	322,255	275,424	46,831
Scottish Union & Nat'l, Edinburgh.....	3,338,058	2,513,499	1,050,637	904,248	146,389
Security, New Haven.....	861,005	659,325	430,968	332,139	98,829
Skandia, Stockholm.....	442,735	360,380	643,427	593,163	50,264
Springfield F. and M., Springfield.....	3,966,024	2,973,203	1,617,598	1,555,486	62,472
Stuyvesant, New York.....	352,112	242,730	149,777	87,820	61,957
Sun, London.....	873,275	953,638	1,674,689	1,500,383	174,305
Svea Fire and Life, Gothenburg.....	371,343	420,971	830,413	710,008	120,405
Teutonia, New Orleans.....	386,624	358,428	307,296	285,876	21,420
Union, London.....	870,314	667,196	3,176,792	3,024,915	151,876
Union Fire, Buffalo.....	312,279	302,567			
United States Fire, New York.....	311,330	283,370	142,336	83,596	58,740
Westchester, New York.....	1,978,128	1,225,007	952,242	898,951	53,291
Western, Toronto.....	782,945	514,730	956,742	731,791	224,951
Williamsburgh City Fire, Brooklyn.....	1,742,093	1,037,096	885,901	612,841	273,060

* Net, after deducting reinsurance. a Impairment \$101,932. b Impairment \$128,359. c After deducting \$521,090 saved by compromise.

—At a recent meeting of the Hartford (Conn.) stockholders of the Firemans Fund, President Dutton and Charles E. Eels placed the facts of the situation before those present. Silas Chapman, Jr., one of the largest stockholders, presided. He believed that about ninety per cent of the stockholders would pay the assessment levied on their stock.

The San Francisco Fire.

Under the above title, Elbridge G. Snow, president of the Home Insurance Company, contributes to The Journalist an interesting article, descriptive of the earthquake and fire that brought such ruin to San Francisco in April last. Several illustrations are given showing the effect of the earthquake before the fire reached the buildings so injured. We regret that our space will not permit of the reproduction of the entire article. Following are brief extracts from it:

The earthquake was of itself sufficient to rank as one of the great catastrophes of history, but it was thrown into total eclipse by the fire which followed in its wake. Flames seemed to break out in different portions of the city at once, spread in every direction and finally merged into one great conflagration, which carried everything before it. A high wind, almost approaching a gale, was blowing from the Pacific on the west, but the fiery demon created a current of its own, pursued its relentless course against the wind, and, after raging for three days and three nights, finally burned itself out, but not until it had covered an area of nearly five square miles, destroyed 25,000 buildings and rendered 200,000 people homeless.

Such a scene of desolation and ruin has never before been witnessed in this country. Several hundred persons were killed and many seriously injured, but the exact mortality will never be known.

It would perhaps be no exaggeration to say that the actual property loss chargeable to the combination of the two powerful elements of destruction at San Francisco was as large as that of all the other great disasters which have occurred in the United States combined, involving as it did, an economic waste of over \$300,000,000 and representing the productive energy and accumulation of an industrious people for half a century. * * *

That an earthquake of extraordinary violence had taken place and had done incalculable damage was readily admitted by every one, but strangely enough the property coming under the protection of fire insurance policies seems to have also had the protecting care of Providence, for claimants generally were inclined to contend that their own property had in some mysterious, unaccountable manner escaped damage from the shock, while freely admitting that the property of their neighbors had probably received quite a severe jolt. But notwithstanding this exhibition of human nature, it can truthfully be said that if that philosopher who looked in vain for the "Noblest work of God" had been in San Francisco, he would have had no difficulty in finding the object of his search, for the merchants and the people generally met representatives of the insurance companies in a spirit of the greatest fairness and manifested a greater degree of leniency and patience than has ever been shown in the annals of loss adjustments. On the other hand, the leading insurance companies of the old and new worlds, through their corps of adjusters, about two hundred and fifty in number, endeavored to treat their claimants in the same generous manner, and within five months after the fire, had settled and paid over ninety per cent of their losses, their aggregate payments amounting to nearly \$150,000,000.

Never before has a work of such magnitude involving so many millions been carried to a conclusion in so short a time, and too much cannot be said in commendation of the spirit manifested both by the public and their insurers which made this result possible.

VARIOUS ITEMS.

—Forty-seven shares of the Fidelity Fire of New York recently sold at auction at 326, and 15 shares at 325, and 327 shares New Brunswick Fire at 42.

—The Royal is notifying agents of the German of Freeport who have canceled for the purpose of rewriting in other companies, that its contract of reinsurance provided for the taking over of only such business as appeared upon the schedules made out by the reinsuring company. As this work will not be concluded for several weeks, any business canceled will not be placed upon the schedules, and the agents making the cancellation will have to rely upon the receiver for return premiums.

—The Policy Holders Union of Chicago has engaged E. V. Starkweather to take charge of its engineer, inspection and sprinkler departments. Mr. Starkweather, who is a thorough engineer and insurance expert, has had charge of field forces of the National Board's Committee of Twenty, in examining and reporting upon the fire hazards and protection in various cities. The Policy Holders Union has also secured the services of Daniel A. Johnson, and placed him in charge of its adjustment and collection departments, which will now be pushed more effectively than heretofore. Mr. Johnson was formerly for many years connected with Peckham, Hall & Wampold, public adjusters, and their predecessors.

—"Poor's Manual of Railroads" for 1906 will undoubtedly be found of greater practical value than any of the preceding thirty-eight annual volumes, for it contains, in addition to the usual statistics, the following important features heretofore published separately in "The Railroad Manual Appendix:" 1. All data embraced in "Poor's Ready Reference Bond List;" 2. "Table of Annual Meetings, Transfer Agencies," etc.; 3. Table of dividends paid for eight years. The book also includes statements for 120 new industrial corporations, and has increased 192 pages in text, as compared with the 1905 edition. It also contains many more maps than previously. Besides a vast amount of data concerning steam and street railway and traction companies, this useful work presents a great deal of information regarding industrial and other corporations, and the debts of the United States and of the several States, municipalities, etc. Canadian and Mexican railroads are also given due attention. The Manual embraces statistics relating to 215,507 miles of railroads in the United States, the assets of which aggregated over sixteen billions of dollars, while their gross earnings in 1905 exceeded two billions of dollars. "Poor's Manual" is an indispensable book for anyone interested in any manner in railroads or their securities. It is published by Poor's Railroad Manual Company, New York.

Casualty, Surety and Miscellaneous

Fidelity and Casualty's New Contracts.

The Fidelity and Casualty has gotten out a new accident contract, a limited health and a disability policy. The new feature in these contracts is the illness clause, under which the assured is granted fifty-per cent of the weekly indemnity if, after being confined to the house, he is totally disabled, but not necessarily confined to the house during the original six months. Twenty-five per cent is paid under the same conditions as long as the assured lives, or until he recovers or attains the age of seventy, when the payments cease. This makes the new policy more in the nature of a pension, the insured receiving at least twenty-five per cent of the full indemnity until he recovers, reaches age seventy or dies.

Casualty Notes.

—Higgins & Spaulding have been appointed Rhode Island State agents for the New Amsterdam Casualty.

—The American Casualty of Reading expects to show a gain of seventy-five per cent in business this year.

—The Commercial Union Assurance of London has taken over the accident business of the Accident Insurance Company, Ltd., of London.

—The Motor Insurance Company of London, England, has been organized with \$1,000,000 to insure machines and contents while speeding.

—The Royal Insurance Company of Liverpool has entered into an agreement to take over the business of the Northern Accident Company of Glasgow.

—The Pennsylvania Casualty Company of Scranton is having a highly satisfactory year. Its new business written up to date shows a gain of sixty per cent.

—The Fidelity and Casualty has improved its physicians' liability policies so that the maximum limits of liability for damages have been increased fifty per cent, while the premium remains the same.

—Duer & Gillespie of 26 William street, New York, who represent a number of prominent companies, have leased the grade and second floors of 90 William street, and will move to these new quarters about May 1, 1907.

—The accident and health branch of the Philadelphia Casualty's office at 16 Liberty street, New York, is now in charge of H. R. Clough, who came here from England, where he has had a wide experience in this line of work.

—The series of brief, pithy articles running in The Fieldman, the agency publication of the Pennsylvania Casualty Company, under the general title "Pointers," contain much of value in the way of suggestions for insurance men.

—The American Recording Company of Kansas City is manufacturing a slot machine to sell accident insurance tickets, guaranteed by the Ocean Accident and Guarantee Company. The company will begin operations in Missouri and New York.

—The Peoples Surety Company of Brooklyn has gotten out a new policy, which is designed to protect the assured against loss by burglary, theft or larceny of horses, vehicles and harness. The rate is $2\frac{1}{2}$ per cent, the minimum premium being \$10.

—A new liability insurance company is being organized by the firm of Rau & Warneke of 437 Graham avenue, Brooklyn. The company will have substantial capital and a liberal surplus. It is proposed to do a general business throughout the city of New York exclusively. It is planned to commence business about the first of the year.

—The Pennsylvania Casualty has instituted a legion of honor and has devoted twenty-two feet of wall space at the home office to a record, on which appears the name of every agent. Every man on this list who increases his production during the balance of the year will be elected to a membership in the legion of honor and will be presented with a handsomely printed certificate of membership.

—The St. Louis Plate Glass Insurance Association has cut off the privilege of first agents to have sub-agents. This has been done to place the business on a sole agency basis and to make all agents brokers, subject to the commission rule by which they cannot be paid more than twenty-five per cent. Some object to the change, claiming that it is cheaper to pay a sub-agent thirty per cent and have him measure glass and look after all details, than to pay a broker twenty-five per cent and then hire another man to do the surveying.

—Wm. G. Maitland, general agent at Denver, has associated with him Sidney Moritz and H. W. Robinson, and the business of his agency will hereafter be conducted under the name of the Maitland-Moritz Agency Company. Both the new men are well-known underwriters of experience, and the firm will continue to represent the Fidelity and Deposit, Maryland Casualty and Metropolitan Casualty Insurance Company of New York.

Surety Notes.

—James M. Easter has been elected a director of the United Surety, succeeding Walter A. Mason, resigned.

—The American Bonding Company has written a \$585,000 bond at Beaumont, Tex., for Mrs. J. B. Goodhue.

—H. W. Watkins has been appointed assistant secretary of the Illinois Surety, succeeding G. W. Childs, who is now manager of agencies.

—The Federal Union Surety and the National Concrete Fireproofing Company of Cleveland are involved in a suit for \$12,500 on a contract bond.

—The American Surety and the National Surety have canceled their contracts with the New York State Bankers Association to represent for fidelity business. The contract has been in force only a short time.

—The National Surety, Fidelity and Deposit, United States Fidelity and Guarantee recently bid on an executor's bond for \$150,000 at Cedar Rapids, Iowa. The bids are reported to have been \$250, \$225 and \$100, respectively, the lowest bidder writing the bond.

—The two Nebraska surety companies, one of Lincoln and the other of Omaha, are charged with withholding part of their premiums from their report to the State Department, on which a two per cent tax is imposed, and revocation of their licenses is threatened.

—Leslie H. Webb of Cleveland, Ohio, chairman of the committee on State organization of the National Association of Casualty and Surety Agents, wishes to secure the interest of all casualty and surety men in that territory, so that a meeting may be called in Columbus to organize the State.

—The estate of the late Charles T. Yerkes has filed a claim for \$140,000 against the American Surety Company in the Chicago Probate Court. Naugle & Holcombe had a contract with Yerkes for a street railway, and had a claim of \$86,000 against him, which they assigned to the surety company.

—Following the report that the Metropolitan Surety of New York had gained control of the Bankers Surety of Cleveland, comes the rumor that the Metropolitan has secured options on a majority of the shares of the Illinois Surety and that it is also after the United Surety of Baltimore. The Illinois surety rumor is denied by that company.

—The firm of Lichtenstein & Shaife has been organized in San Francisco to represent the American Bonding Company. Mr. Lichtenstein was for eighteen years assistant librarian in the San Francisco Public Library, and Mr. Shaife is well known as an attorney and is secretary of the University of California Club and is connected with a number of commercial and financial enterprises in the city.

—In Texas an effort is being made to prohibit surety companies from assuming a liability in excess of ten per cent of its capital and surplus. If such an act is passed it will benefit the big companies and compel the smaller ones to take unimportant lines. On the other hand, it will make it necessary for small companies to seek only such lines as they can afford to lose and thus benefit the public.

—The Missouri Department has ruled that none but regular authorized agents of fidelity and surety companies may place this class of indemnity. The ruling affects the Missouri Bankers Association, which has been placing its fidelity insurance for the various banks of the State direct through the association with the home office of the surety companies, and this association is not licensed as agent for these companies.

—The \$176,305 which was paid by the United States Fidelity and Guaranty under a depository bond guaranteeing the deposit of the State of Pennsylvania with the Real Estate Trust Company has been refunded. The company's experience with this bond has led it to adopt the rule that no depository bond will be issued for an amount greater than one-quarter the capital and surplus of any bank or trust company, and no more than \$300,000 will be written on any bank or trust company, no matter how great its aggregate resources. The company has reinsured portions of its lines to conform to the new rules.

—Judge Duncan of the county court at Towson, Md., has decided in the action brought by Harlan S. Williams, receiver of the Home Fire Insurance Company, against the United States Fidelity and Guaranty Company, that the insurance company cannot recover on the bond of

the surety company, there being no evidence of embezzlement or theft by Robert R. Tuttle, general agent of the fire company, by whom the company claimed to have lost \$7600.

—Considerable interest is manifested in the suit pending in Baltimore between the United States Government and the United States Fidelity and Guaranty over an indemnity bond given by the surety company to John Morgan & Son, star-route contractors. It is a test case to determine if in such cases a bonding company is liable for the entire amount of the bond or only for the expenses incurred by the Government, because of the failure of a mail contractor to perform the contract. It has been the custom for the bonding companies in such cases to pay only the loss sustained by the Government, but the Government now claims the entire amount of the bond, which in this particular case is for \$3000. The surety company admits only liability for the actual loss. The decision will determine a large number of cases.

—Considerable interest attaches to the negotiations between the Metropolitan Surety Company and the Bankers Surety of Cleveland, Ohio, through which, if consummated, the latter or interests connected therewith would obtain control of the Bankers. It is said the directors of the Cleveland company favor the proposition and have sent out a letter to the stockholders asking their idea of it. As understood, the Metropolitan does not desire to merge this company with their own, but to operate it as a separate company, and, in conjunction with some other Western companies, take care of large lines of business with them. The past year has been a profitable one with the Bankers, it is said. Those in position to know, say that the company is in better shape than it has been for years and that its future is encouraging. The offer made by the Metropolitan is said to be above par for the stock, but not quite the book value.

—The Appellate Division of the Supreme Court at Rochester, N. Y., has rendered a decision affirming an interlocutory judgment in favor of the plaintiff in the case of the Buffalo German Insurance Company against the Title Guaranty and Surety Company of Scranton, Pa., growing out of the failure of the German Bank of Buffalo. The company had on deposit in the German Bank at the time of its failure \$103,000. The Title Guaranty and Surety Company issued a bond of \$50,000 as security for this deposit. When the affairs of the bank were being wound up by Receiver Wheeler, the insurance company claimed all the dividends that were declared by the receiver on this deposit, and from the surety company whatever the total of these dividends lacked of equaling the amount of the bond. The surety company put in an answer, claiming 50-103 of all dividends declared in favor of the insurance company. The insurance company demurred to this answer and Justice Kenefick sustained the demurrer. The surety company appealed from this decision and the Appellate Division has sustained the lower court, with costs to the respondent. It is thought probable that the case will be carried up to the Court of Appeals.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Alliance Insurance Company, Philadelphia, Pa.

Out of the 50,000 shares of stock constituting the capital of the Alliance, 45,000 shares signed the agreement to pay in the \$750,000 capital and surplus when same should be required. Ten dollars a share was called at the time this agreement was made, and \$450,000 in round figures have been paid into a fund to await the action of the Insurance Commissioner. The additional \$5 a share has been called in, and the whole amount will be placed in this fund pending the action of the Commissioner at the end of the present year, when an investigation will be made of the company's affairs. When the actual impairment of the company is ascertained the Commissioner will call upon the stockholders to make good the impairment, and the money will then be transferred from the holders of the fund to the company.

American Central Insurance Company, St. Louis, Mo.

Statement September 30, 1906, shows \$4,194,934 of assets (exclusive of payments on new stock), and a net surplus of \$510,067. The second of the four instalments in which the new capital and surplus are payable is due December 15.

Amsterdam-Londen Insurance Company, Amsterdam, Holland

Starkweather & Shepley, of Providence, R. I., and New York, have recently been appointed attorneys for the transaction of surplus line business in the United States and Canada for the company named above. Its statement as of December 31, 1905, shows \$493,306 of assets, including \$120,000 of stockholders' notes; \$240,000 of capital; a marine premium reserve of \$992,628; a fire premium reserve of \$58,455; a statutory reserve of \$88,229, and unpaid dividends of \$7360.

The net fire premiums in 1905 were \$97,426; net marine premiums, \$180,478; net fire losses, \$26,336; net marine losses, \$83,670; dividends, \$7200; expenses, \$19,857.

Assurance Company of America, New York.

Statement October 31, 1906: Assets, \$906,504; liabilities, except capital, \$600,327; capital, \$200,000; net surplus, \$106,177; San Francisco losses, net, \$400,750; paid in cash, \$193,696; unpaid, \$207,053.

Atlanta Birmingham Fire Insurance Company, Birmingham, Ala.

This company, which reinsured its business outside of California in the Prudential of Tazewell, has decided to liquidate. Steps are being taken to realize upon the securities of the company, in order to pay off its San Francisco indebtedness. The basis offered, while it was hoped the company could continue in business, was 25 per cent in cash and 15 per cent in notes.

Austrian Phoenix Insurance Company, Vienna, Austria.

This company, on October 1, 1906, withdrew as a guarantor of policies issued in the United States under the title of "European Underwriters," still being liable, however, for its share of policies issued prior to that date.

Berlin Fire Insurance Company, Berlin, Germany.

Because of its heavy losses by reinsurance of San Francisco risks, this company is preparing to increase its capital from \$1,500,000 to \$1,875,000. The company's statement as of January 1, 1906, shows: Capital, \$1,500,000; capital reserve, \$150,000; extra reserve, \$229,619; fire premium reserve, \$593,708; profit balance, \$230,975; total assets (including \$1,200,000 of stockholders' notes), \$2,945,486.

British General Insurance Company, Ltd., London.

This company, which was incorporated in January, 1904, has an authorized capital of £50,000, and on December 31, 1905, the subscribed capital amounted to £26,780, paid up £7570. It transacts fire, accident, plate glass, live stock and liability insurance. Its balance sheet as of December 31, 1905, showed total assets of £40,873; total liabilities, except capital, £2863; capital paid in, £36,336; balance of revenue account, £1674. The company is reported to be seeking surplus business in this country.

British Union Assurance Society, Ltd., London, Eng.

A meeting of the creditors of this company (which is in compulsory liquidation) was held October 26. It developed that, although 14,857 shares of stock had been issued, only £55 had been received in respect of them. The statement of the company's affairs showed £3002 of unsecured debts (and notices had been received of additional claims, which were not included), while the assets were valued at £1310. The chairman stated, however, that they were not likely to produce 1310 pence. The risks in force were estimated at £462,490, and it was stated that "the only tangible asset available to meet claims as they arose from time to time was the balance at the company's bank, which ranged from 9s. 8d. to £34 16s. 10d. Claims against the company were disputed and payment was evaded. The total sum returned as paid under policies in the statement of affairs was £30 17s. 3d."

Buffalo German Insurance Company, Buffalo, N. Y.

Statement October 31, 1906: Assets, \$2,340,018; liabilities, except capital, \$657,874; capital, \$200,000; net surplus, \$1,482,143; San Francisco losses, net, \$259,022; paid in cash, \$220,529; unpaid, \$38,492.

Caledonian-American Insurance Company, New York.

Statement October 31, 1906: Assets, \$316,873; liabilities, except capital, \$95,294; capital, \$200,000; San Francisco losses, net, \$76,956; paid in cash, \$53,356; unpaid, \$23,599.

Cologne Reinsurance Company, Cologne, Germany.

Statement October 31, 1906 (United States branch): Assets, \$825,310; surplus, \$234,683; San Francisco losses, net, \$858,000; paid in cash, \$743,000; unpaid, \$115,000.

Compensation and Guarantee Fund, Ltd., London, England.

This company formerly wrote some surplus lines on American risks. Its statement as of June 30, 1906, showed liabilities aggregating £125,061, including £74,316 of capital, while its assets amounted to £18,330. Its net premiums during the preceding year were £80,478; its losses, £78,702, and its expenses, etc., £19,497.

Dutchess Insurance Company, Poughkeepsie, N. Y.

The statement of the old Dutchess Insurance Company (not the new Dutchess Fire Insurance Company) as of October 31, 1906, shows: Assets, \$184,380; liabilities, except capital, \$286,312, including \$208,662 for unpaid losses and \$70,653 of unearned premium; capital, \$200,000. This company's gross losses by the San Francisco fire were \$1,150,295; recoverable reinsurance, \$149,255; salvage, \$46,320; net losses, \$954,719; amount paid in cash, \$255,510; saving by compromise, \$521,090; net losses unpaid, \$178,118.

European Underwriters.

Policies issued in the United States under the above title are now guaranteed by the following-named companies: Berlin Fire Insurance Company, Berlin, Germany; Dacia-Romania General Insurance Company, Bucharest; Fonciere Pesth Insurance Company, Budapest; Northern Insurance Company, Moscow, Russia; Providentia General Insurance Company, Vienna; Silesian Fire Insurance Company, Breslau; Warsaw Fire Insurance Company, Warsaw.

German Insurance Company, Freeport, Ill.

Statement October 31, 1906: Assets, \$5,852,301; net unpaid losses and claims, \$2,036,907; total unearned premiums, \$3,591,724; cash capital, \$200,000; net surplus over all liabilities, \$24,669. Gross risks in burned district of San Francisco, including reinsurance, \$5,139,422; deduct reinsurance recoverable, \$349,400; salvage and compromise, \$1,916,008; net loss, \$2,874,014; amount paid in cash, \$1,048,118; net unpaid, \$1,825,696.

Girard Fire and Marine Insurance Company, Philadelphia, Pa.

The \$200,000 of new stock which this company issued some time ago at 300 per cent has been oversubscribed, and will be paid in before December 31, 1906. The proceeds of the sale of this new stock will add \$200,000 to the Girard's capital, and \$400,000 to its surplus.

Globe and Rutgers Fire Insurance Company, New York.

Statement October 31, 1906: Assets, \$4,008,949; capital, \$100,000; net surplus, \$1,203,841; San Francisco losses, net, \$854,939; paid in cash, \$608,318; unpaid, \$118,796.

Hartford Fire Insurance Company, Hartford.

Under date of October 19, the Hartford Fire states that all of the \$3,750,000 representing the proceeds of the sale of new stock issued this year had been collected, except \$72,500. The company paid out over \$8,000,000 to San Francisco claimants.

Home Fire Insurance Company, Phoenix, Ariz.

The officers of this company are now as follows: President, Alexander Buck; vice-president, Bert Ford; secretary and treasurer, Robert Wilson. The company has issued a statement dated November 5, 1906, which shows \$153,752 of assets as follows: Real estate owned by the company, \$40,000; stocks, \$50,000; first mortgage on real estate, \$60,000; premiums in course of collection, \$3432; office furniture and fixtures, \$320. Its capital stock is stated to be \$100,000; reinsurance reserve, \$1716; commissions and all other liabilities, \$1087, and net surplus, \$50,949.

The Auditor of Arizona advises us that on March 10, 1906, there was filed in his office an affidavit by the president and directors of this company, stating that the capital stock of \$100,000 and a surplus of \$50,000 had been paid into the treasury of the company.

Secretary Robert Wilson states that the company intends to push its agency work, and to accept some good surplus lines through reliable agents. He also sent us the following description of the company's assets:

"The real estate owned by the company consists of sixty acres of solid white marble land situated in Cochise county, Territory of Arizona. This marble is of the finest quality, and in quantity we might say enough to rebuild the city of Rome.

"The stocks consist of those of the Arcturus Mining Company of Arizona, whose mining properties are very valuable. The insurance company owns \$100,000 of the Arcturus Mining Company's stock, but, to be doubly safe, we place it, the valuation, at \$50,000 in our statement.

"The mortgages are a first lien on all the mines belonging to the Arcturus Mining Company, which consists of a quarry of forty acres of the finest quality and color of onyx; a twenty-acre asbestos mine; the Vulcan group of copper mines, consisting of three claims; the Buldomingo group of gold and copper mines, consisting of two claims; the Siberian group of copper mines, consisting of two claims, and the Arctic gold mine, consisting of one claim, all located in Maricopa county, Arizona.

"The capital stock of the Arcturus Mining Company is \$500,000 fully paid up. Will add that the Arcturus Mining Company values their properties at \$1,000,000 or more, which we consider a conservative estimate."

Insurance Company Salamandra, St. Petersburg, Russia.

Statement October 31, 1906 (United States branch): Assets, \$1,344,736; surplus, \$546,105; San Francisco losses, net, \$322,255; paid in cash, \$275,424; unpaid, \$46,831.

Law Union & Crown Insurance Company, London, Eng.

Statement October 31, 1906 (United States branch): Assets, \$726,317; surplus, \$310,779; San Francisco losses, net, \$1,707,412; paid in cash, \$1,568,150; unpaid, \$139,261.

Milwaukee Mechanics Insurance Company, Milwaukee, Wis.

Statement September 30, 1906: Assets, \$2,520,451; total liabilities, except capital, \$1,606,207; capital, \$500,000; net surplus, \$414,244. Total San Francisco claims settled to November 1, \$2,321,349; amount paid in settlement, \$1,570,303; net amount unpaid, \$202,406. The total claims filed amounted to \$2,637,780, and were reduced by salvage and safety fund law deductions to the extent of \$751,046, and by reinsurance to the amount of \$506,541, leaving the net amount \$1,380,192.

Missisquoi and Rouville Mutual Fire Insurance Company, Frelighsburg, Que.

This company's financial statement as of August 31, 1906, shows that on that date the company possessed total cash assets amounting to \$91,723 and premium notes, \$54,951. Its total liabilities were \$81,596; unearned premiums, \$79,096; net surplus, \$65,096.

Montmagny Mutual Fire Insurance Company, St. Henri Station, Que.

As of August 31, 1906, this company's statement shows total cash assets amounting to \$201,021; premium notes, \$198,691, and subscribed capital uncalled, \$70,000, making total assets of \$469,712. Its total liabilities, except capital, were \$73,835; unearned premiums, \$73,085; capital subscribed (\$30,000 paid in), \$100,000; net surplus, \$295,878 (including premium notes). During the year ending August 31 the company's premium receipts were \$146,170; total income, \$148,881; losses paid, \$53,179; dividends paid, \$1321; expenses, \$38,339; total disbursements, \$92,839. The company sustained three losses at San Francisco, which it is understood were promptly paid.

Moscow Fire Insurance Company, Moscow, Russia.

Statement October 31, 1906 (United States branch): Assets, \$1,562,909; surplus, \$437,503; San Francisco losses, net, \$278,792; paid in cash, \$241,917; unpaid, \$36,875.

Munich Reinsurance Company, Munich, Germany.

Statement October 31, 1906 (United States branch): Assets, \$3,422,687; surplus, \$866,767; San Francisco losses, net, \$2,249,973; paid in cash, \$1,931,984; unpaid, \$317,988.

National Union Society, Ltd., Bedford, Eng.

It is learned that the recent purchase of business by the London and Lancashire from this company involved only its business in the United Kingdom, the National Union retaining its Colonial and foreign risks. The net premium income of the National Union in the fifteen months ending June 30, 1906, after deducting reinsurances, returns and bonuses to the insured, was £78,928; its losses paid amounted to £45,695, and its commissions and expenses to £28,946. Including interest, the revenue account showed a credit balance of £7148. The paid-up capital is stated to be £76,001, and the reserves amount to £26,429.

National Brewers Insurance Company, Chicago, Ill.

This company's financial statement as of September 13, 1906, shows total cash assets amounting to \$161,685; total liabilities, except capital, \$7729; unearned premiums, \$7354; net cash surplus, \$53,956; capital paid in, \$100,000.

New Hampshire Fire Insurance Company, Manchester, N. H.

Statement, October 25, shows: Assets, \$4,204,597; net surplus, \$1,143,872, after paying all its San Francisco losses aggregating nearly \$500,000.

New Brunswick Fire Insurance Company, New Brunswick, N. J.

Statement October 31, 1906: Assets, \$398,846; total liabilities, except capital, \$192,594; capital, \$200,000; net surplus, \$6252. Net amount of San Francisco loss claims, \$152,572; net paid to November 10, \$122,378, including all direct policies.

The recent proposition of President George A. Viehman to increase the capital stock of the company from \$200,000 to \$300,000 by the sale of 4000 shares of new stock at par is reported to have met with opposition from George M. Bowlby of Somerville, formerly vice-president of the company. The latter is said to hold 1150 of the 8000 shares and to be getting proxies of the shareholders. On Nov. 21, 327 shares of the New Brunswick Fire sold at auction at 42 per cent.

The increase of \$100,000 in capital is to be made by the issue and sale to stockholders of new stock to an amount equal to one-half of their present holdings, at par, and the capital is to be subsequently decreased to \$200,000, thus transferring the \$100,000 to the surplus account.

North River Insurance Company, New York.

Statement October 31, 1906: Assets, \$1,790,076; capital, \$350,000; net surplus, \$217,257; San Francisco losses, net, \$380,717; paid in cash, \$231,555; unpaid, \$149,162.

North State Fire Insurance Company, Greensboro, N. C.

This company, which is under the same management as the Dixie Fire, is preparing to increase its capital and surplus by the sale of 1000 additional shares at \$150 each. The company will then enter the general agency field.

Pennsylvania Fire Insurance Company, Philadelphia.

Two instalments of 25 per cent each have been paid in, and the other two are payable before the end of the year, on the \$350,000 of new stock which the company issued at 400 per cent. Of the \$1,400,000 of new funds provided, \$350,000 will be added to capital and \$1,050,000 to surplus.

Providence Washington Insurance Company, Providence, R. I.

Statement September 30, 1906: Assets, \$2,723,731; total liabilities, except capital, \$2,092,320; capital, \$500,000; net surplus, \$131,411.

Prudential Insurance Company, Tazewell, Va., and Atlanta, Ga.

It is reported that the proposed reinsurance of this company's risks in the California Insurance Company has been approved by the directors of the latter, and that final arrangements have been concluded. President Dargan of the Prudential is expected to become manager at Atlanta for the California, which will enter the Eastern field.

Scottish Fire Insurance Company, Fayetteville, N. C.

This company, which expects to operate throughout the section contiguous to Fayetteville, hopes to have its organization effected, with a capital of \$100,000, within a month or so.

State Fire Insurance Company, Liverpool.

An extraordinary meeting of the State Fire Insurance Company of Liverpool has been called to consider a resolution for reducing the nominal capital from £1,000,000 in £10 shares to £800,000 in £8 shares. This is to be effected by cancelling paid-up capital to the extent of £2 per share upon the 70,000 shares issued and reducing the par value of the unsubscribed shares from £10 to £8 each. This step has been considered necessary consequent upon the loss sustained through the San Francisco disaster.

Total San Francisco claims filed against this company, \$1,243,956; estimated salvage, \$124,395; reinsurance, \$75,950; net losses, \$1,043,611; gross claims settled to November 1, \$7,103,806; amount paid in settlement thereof, \$970,222. Amounts paid have been remitted in full from the home office, although the losses equal the entire cash assets of the company, the stockholders contributing the necessary funds. The financial position of the United States branch is practically unchanged since January 1, 1906.

Teutonia Insurance Company, New Orleans, La.

The statement of this company as of October 31 shows total admitted assets amounting to \$952,200; total liabilities, except capital, \$593,772; reinsurance reserve, \$420,516; net cash surplus, \$108,428, and a surplus to policyholders of \$358,428.

Wabash Fire Insurance Company, Hammond, Ind.

The investigations of G. H. Somers, the Chicago public accountant, who is winding up the affairs of the Wabash Fire of Hammond, Ind., show that about \$600 worth of office furniture constituted the bulk of the company's possessions available for loss claimants, while the unpaid losses aggregated about \$45,000. It is understood that some of the stockholders will contribute toward liquidating the company's debts.

Three German Insurance Companies to Pay.

City Attorney Newburg of San Francisco is authority for the statement that three German companies with home offices at Hamburg, and which have thus far failed to pay their San Francisco losses, have agreed to compromise with their policyholders. It is expected that they will pay about 50 per cent of their liabilities, which is believed to be the limit of their capacity.

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No. 23.

AUTOCRATIC INSURANCE COMMISSIONERS.

THE autocratic powers with which the State official supervisors of insurance are invested were never more prominently and offensively exercised than they have been within the past few months by a few of these officials. Commissioners Folk and Prewitt, of Kentucky and Tennessee, have been especially conspicuous because of their attitude in reference to the election of trustees of the Mutual and the New York Life now progressing. Instead of remaining neutral during the contest, they have arrayed themselves against the companies and adopted various means to embarrass them. Their influence was thrown in favor of the Lawson-Untermeyer-Scrugham combination that is seeking to obtain control of the companies named. These Commissioners took exception to the methods employed by the companies to induce policyholders to vote for the administration ticket in preference to the opposition nominees, and Commissioner Prewitt went so far as to rule the Mutual out of Kentucky for its failure to reinstate agents who had been dismissed because they had accepted nominations upon the ticket opposed to the administration. These two Commissioners have been exceedingly officious in their opposition to the present administration of the Mutual and the New York Life, and have given an exhibition of prejudiced partisanship seldom if ever equaled in insurance affairs. The officials of the other States have, as a rule, remained neutral as to the elections in the companies, evidently concluding that policyholders are sufficiently instructed to enable them to vote intelligently. It is possible that the Commissioners referred to may find warrant for their action in their respective States, but it is doubtful if the courts will sustain them. The laws of most States leave so much to the discretion of the Insurance Commissioners that they can go to almost any length in their treatment of the companies.

Another illustration of the autocratic power State officials exercise over the companies is found in the form of reports they require from them at the close of each year. The blank sent out to the life companies to be filled out this year is the most inquisitorial ever issued. Year by year this blank has

been extended and the interrogatories added to, until the present one demands, under oath, details of the most minute character regarding the financial and insurance transactions of the companies. Some idea of the immense labor this imposes upon the companies may be gathered from the fact that the blank consists of thirty-six pages, twelve by eighteen inches in size, and contains hundreds of questions that must be answered categorically, and a number of schedules that must be filled out in the remotest particular. These schedules require a detailed list of all investments made of all policies issued under whatever form, all real estate transactions, a record of all salaries paid, and, in short, an itemized report of everything done, in whatever branch of the business, during the past year. The "gain and loss" exhibit has been expanded and is more inquisitorial than ever before. No other business in the world is subjected to the exactions that are required of the life insurance companies. Much of the information thus demanded serves no good purpose whatever, for it never sees the light of day. It is not contained in the annual reports of the Departments, but a summary is prepared from data furnished by the companies and supervised by the Department clerks. In addition to the thirty-six pages of blank "A," the New York Department has blank "B," consisting of eight pages more of interrogatories and schedules.

The public demands that the companies shall make full reports annually of their condition, but not in a form so much in detail and so itemized that even an expert actuary would have difficulty in understanding them. What is required is a general statement, properly vouched for, showing the business of the year, the general character of investments made, dividends declared, and the solvency of the companies officially proclaimed. Too much supervision costs policyholders dearly, for the taxes, fees, etc., rendered necessary by present methods have to be paid out of the company funds.

The "gain and loss" exhibit required has been a subject of discussion for a number of years, and its usefulness questioned by life insurance men. It is claimed to be unfair, discriminating between companies and methods, and furnishing data for adverse criticism in competition. H. J. Messenger, actuary of the Travelers Insurance Company, recently issued a pamphlet pointing out the unfairness and injustice of this exhibit. The following are extracts from this pamphlet:

In the first place, the gain and loss exhibit at its very best is nothing but a rough approximation, and in some cases, on account of lack of necessary care or a competent actuary, the results cannot even be considered as a rough approximation. In the second place, the gain and loss exhibit is of such a technical character that in order to be understood it is not only necessary to have the training of an expert actuary but also a thorough knowledge of the methods and practices of each individual company. Consequently it is no exaggeration to say that not one policyholder in 10,000 is competent to interpret the comparative figures in the gain and loss exhibit.

After pointing out various inaccuracies of the "gain and loss" exhibit, and showing how unfair they are to certain companies, Mr. Messenger concludes as follows:

We believe that the above ought to show the dangerous character of the "gain and loss" exhibit. To give these figures to the public is about as safe as to give a year old baby a fine assortment of razors to play with. The public cannot correctly interpret them. They do no good and they do much harm. In view of the above we ask your

careful consideration of the following questions: Does the "gain and loss" exhibit upon the whole furnish the policyholder and the general public with information or misinformation? Is it a real and reliable aid to the policyholder and the public to gain correct information in regard to the real status of the company, or is it more or less of an estimate, decidedly misleading and altogether too technical a statement to be put in the hands of the general public, or, still worse, to be used by the agent of one company to misrepresent the situation of another? This last, in fact, is the principal and almost the only use made of the "gain and loss" exhibit.

THE year 1906 will pass without any great change in the various personal accident contracts in use by the leading companies. The number of new contracts introduced this year is much below that of previous years, when there was a marked effort on the part of the companies to elaborate upon contracts. The Empire State Surety Company and the Peoples Surety, both of New York, have been added to the list of personal accident writing companies, and the Employers Liability Corporation announced new policy contracts in September of this year. The Fidelity and Casualty introduced a distinctly new feature when it recently issued a disability policy which not only pays indemnity while the insured is laid up or partially disabled, but the indemnity, in reduced amounts, is extended to those who never fully recover from their ailment so long as they may live or until the age of seventy is reached. This makes the contract almost a pension for life. Among the companies which have taken up industrial accident and disability insurance are the Frankfort Marine, Accident and Plate Glass and the Pacific Mutual Life. The Ocean Accident has a new contract in which the triple indemnity and return premium, with interest features, are prominent. The Philadelphia Casualty is experimenting with a continuous health policy, which, if adopted, will be a decided departure from established lines. The Preferred Accident is also to be credited with a new feature in a contract recently issued from that office. The Travelers, the United States Casualty and several other companies have also been heard from in the making of new contract forms.

QUITE an important meeting of representative business men was held in Boston last week to consider the subject of fire insurance. Representatives were present from the various business and trade organizations of the different cities of the State, the convention having been called by the Holyoke Business Men's Association. The various speakers complained of the manner in which the fire insurance business is conducted, involving, as claimed, a high rate of expense and unnecessarily high rates of premium to meet such expenses. Some inconsistencies in present practices were pointed out, especially as regards inspections of risks. For instance, a case was cited where an inspector had directed a propertyowner to make certain improvements in his risk, in default of which his rate would be advanced. The propertyowner canceled his policies, and had no difficulty in placing his insurance in other companies unconditionally at the old rates. The object of the meeting was to present to the legislature at its coming session

the whole subject of fire insurance and to ask for legislative investigation of the matter, the investigating committee to submit a report of its labors and to cover the question of rates. The Holyoke representatives advocated the enactment of a law that would give permission to municipalities to do an insurance business, but the convention voted this down. A committee of twenty-five was appointed to present the matter to the legislature and to ask for a committee of investigation. During the discussion it was stated that the business of fire insurance is not conducted on a scientific basis, that inspections of risks are of little value, and that there are altogether too many agents. If an intelligent and unprejudiced legislative committee will undertake an investigation and do the work thoroughly, it will be a good thing for the fire insurance business. If such a committee can evolve a scientific basis on which to conduct the business, they will earn the everlasting gratitude of insurance men. Managers of companies, who have given their lives to the study of the subject, have been unable to reduce the question of hazards to a scientific determination, but have been obliged to conduct the business on merely business principles, being governed by experience and actual results. For the State, however, to undertake to prescribe rates is preposterous, for, if they were not satisfactory, no company could be compelled to accept them. But it will be interesting to see what Massachusetts does in the matter; for, if the investigation is thorough and impartial, it will do much to quiet those who are continually making a grievance over the amounts they have to pay to indemnify them for fire losses.

FIRE underwriters were pleased to learn of the death of the valued policy bill, which had been introduced in the Vermont Legislature. The action of the legislators in thus disposing of an obnoxious bill is looked upon as indicative of a feeling of sympathy on the part of the public for the sorely-afflicted fire insurance companies, and a willingness to forego, for the present at least, the imposition of any additional burdens upon them. The underwriters may, however, have to combat an anti-compact bill in Alabama, and possibly bills to provide for rate-making by State officials or Commissioners in Massachusetts and Texas. It is very probable that a standard policy bill will be introduced in the California Legislature; but if it is drawn along reasonable lines, it is not likely to meet with opposition on the part of the companies.

In a decision handed down Monday, Judge Morton of the Massachusetts Supreme Court declined to dissolve the temporary injunction against the American Insurance Company of Boston, unless the company furnished a bond to protect the policyholders in the event that a master should find the company to be insolvent. But on Tuesday, Judge Morton modified the injunction to the extent that the American will be permitted to consummate the settlement of losses with policyholders, arising from the San Francisco fire, to the amount of \$15,500, on which drafts have been issued. The company is also permitted to reinsure risks other than those in San Francisco and pay the office clerical force. The company will furnish a bond of \$25,000.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The Russian Reinsurance of St. Petersburg has decided to enter the United States for reinsurance business.

An unusual number of complaints have been heard recently regarding an alleged practice of out-of-town companies in writing risks at outside agencies covering property located within the jurisdiction of the New York Fire Insurance Exchange. This grievance has been made the subject of a special query, by order of the arbitration committee, addressed to all the Exchange companies. It is a comprehensive inquiry covering commission or brokerage to brokers or agents not holding certificates from the Exchange, either directly or indirectly. Presumably the companies have all made answer to these inquiries, and it is safe to say nineteen-twentieths have returned an unqualified negative response. The query sheet takes in the relations between branch offices suggested by the continued reports of canceled policies placed by brokers who do not hold certificates. If the arbitration committee means business, this question can be pressed to a conclusion. The brokers are interested in the outcome of the inquiry, and are already throwing out hints that they would like to know the names of companies reported in the cancellations above mentioned.

It is stated that there are several companies still doing business in San Francisco which have added an earthquake exemption clause to their policies since April. These policies are accepted with a mild protest. The question is seriously agitated by European companies whose home policies contain such a clause, and the head office managers fail to see why it should not be used everywhere in the United States, as well as everywhere in Europe. We are informed that some correspondence has passed between foreign offices and their American managers looking to the introduction of such an exemption in all the States. The New York Standard Policy is an obstacle here, and this fact is already urged in California as a reason why the companies should be willing to deal as liberally with the Pacific as now with the Atlantic Coast. Doubtless we shall hear more of this matter later on.

There are vague rumors that a special meeting of the Board may be called at an early day, to reconsider the questions involved in the reorganization of the machinery of the Board by the retirement of W. A. Anderson. In this connection, it is stated the manager of the Exchange has plainly stated that he has not been consulted as to the intentions of the committee and does not feel called upon to express either assent or dissent to its plans.

Regarding the constant reiteration of the demoralization among the subordinate clerks and experts in the employ of the Exchange, it is reported that the executive committee of the Exchange proposes to call a conference between the joint committee on economies and its own members, to consider some plan to stop the demoralization by some form of affirmative action to satisfy the working forces of the Exchange that their alarm is without cause. The story around the seventh floor of the Mutual Life building is that three-fifths of the clerks of the Exchange are looking for other jobs.

The companies engaged in insuring the liability of delivery wagons, known as "teams liability," have been burdened with an unusual number of claims arising from run-away accidents this season. They regard the presence of automobiles on the avenues as an extra hazard.

Two city brokers are engaged in a heated controversy, which might be called a "scrap," over some return premiums due from the German of Freeport. One of them received such a policy from the other for cancellation some weeks before the receivership, but failed to collect the return premium from the agent. The first broker holds the second responsible, and has served a summons upon him for the amount due.

F. W. Mayes, chief rater of the New York Fire Insurance Exchange, resigns as of January 1, to join Hyman & McCall, the insurance brokerage firm.

BOSTON AND VICINITY.

William Williams has entered upon his duties as special agent of the Ben Franklin of Allegheny, Pa., recently admitted to Massachusetts.

At the meeting of the Boston Board of Fire Underwriters, Tuesday, the committee on brokers reported an agreement which employees in the offices of members are to sign, agreeing to observe the requirements of the board relative to bringing business into the offices of their employers. The report was accepted.

A convention, consisting of representatives of business organizations and boards of trade all over Massachusetts, called together by the Holyoke Business Men's Association, assembled in Boston, the past week, to consider the question of municipal fire insurance. But the project did not figure very conspicuously in the discussions, except with the Holyoke men, practically every other speaker opposing the idea. It was voted to refer the whole matter to a committee. The following resolution was adopted:

Resolved, That it is the sense of this convention that we are in favor of State supervision and regulation of rates of fire insurance companies doing business in this State by the Insurance Commissioner; and we urge that the legislature, at its next session, shall appoint a special committee to investigate the whole question of fire insurance and rates charged therefor, and report back to the legislature before its prorogation.

The New England Insurance Exchange has voted to allow thirty per cent reduction in lumber rates in Penobscot county, Maine, when the ninety per cent clause is used.

The Virginia Fire and Marine of Richmond, Va., has applied for admission to Massachusetts, to do an agency business. The officers of the Equitable Fire and Marine of Providence, R. I., will act as Massachusetts general agents, and Cyrus Brewer & Co. will hold the Boston agency.

The next meeting of the Boston Insurance Library Association will be held Wednesday evening, December 13. Assistant Secretary F. E. Cabot, of the Boston Board of Fire Underwriters, will speak upon the subject of "Fireproof Construction."

NOTES FROM PHILADELPHIA.

Four shares of old stock of the Fire Association sold at auction last week at \$340 per share, and five shares of the stock of the Spring Garden at \$55¼ per share.

Longacre & Ewing have moved their offices to the Bullitt building.

The managing committee of the Philadelphia Suburban Underwriters Association, much to the satisfaction of the local agents, companies and brokers, followed the lead of the Philadelphia Association by adopting the following rule:

No rebates on account of change in rates, rules, schedules, minimums, change of occupancy or for improvements shall apply for unexpired policies, except that policies may be canceled pro rata and rewritten under new conditions for periods of one year or longer; for periods less than one year short rates of new conditions shall apply.

The circular, No. 146, of June 12, 1906, which promulgated an advance of ten per cent on all classes of risks except those named therein, which numbered twenty-two, was on Saturday last abrogated, with the exception of 118 classes named, to which the advance still applies.

The smoker of the Fire Insurance Society of Philadelphia, which was held on Monday evening, proved a most enjoyable affair.

The establishment of a branch of the Adjustment Bureau in this city, while only of recent date, is said to have already caused a very noticeable shrinkage in the business of the independent adjuster, and at least one of them has announced his intention of taking up the business of handling losses for the insured. It is expected that other adjusters, who have heretofore acted solely in the interest of the companies, will make a similar move.

The annual meeting of the stockholders of the Reliance will be held December 17, 1906.

In response to the appeal of brokers to be permitted to buy copies of the rule book just issued, the Philadelphia Fire Underwriters Association has decided to sell copies at fifty cents each to brokers holding its certificates.

THE MIDDLE STATES.

—T. J. Moore, a well-known insurance agent at Bedford, Pa., is dead.

—A. M. Waldron has been appointed sole agent for Philadelphia of the Dubuque Fire and Marine.

—It is understood that the Georgia Home is about to re-enter New York State.

—A. E. Batchelder, New York State special agent of the German of Freeport, has been appointed special agent of the New Hampshire Fire for Eastern New York, with headquarters at Albany.

—Judge Dowling of the Supreme Court has appointed Leo Schlesinger of New York city and the Chicago Title and Trust Company of Chicago ancillary receivers of the property in New York State of the German of Freeport.

THE WEST.

Ohio Observations.

[FROM OUR OWN CORRESPONDENT.]

State Fire Marshal Creamer has issued a warning to merchants regarding the display of Christmas goods, especially in air-tight show windows.

Superintendent of Insurance Vorys has instructed the examiners of the Department who are checking up premium returns of the companies, to make inquiry also as to the losses the companies have suffered in the San Francisco fire. He was in a quandary for a long time, he said, as to what action to take regarding companies that seemed to be greatly weakened, but as things have turned out he was able to protect Ohio policyholders, while he was not the cause of any company going into liquidation. The inquiries about the San Francisco fire will enable him to act intelligently on the renewal of licenses for the coming year.

Two new fire engines have been purchased by the Cleveland fire department and a contract has been made to repair the water tower. The engines will cost \$5000 each.

Ira M. Bryant, a prosperous farmer and stock man of Hudson, Mich., was arrested a few days ago on the charge of conspiring with others to burn a grist mill at Pettisville, Ohio, on March 31, 1878. The mill belonged to George Letcher, who is now serving a term in the Ohio penitentiary on the charge of arson.

O. M. C.

Cleveland, December 1.

—C. L. Rudy, Indiana special agent of the German of Freeport, has become Indiana special agent of the Continental.

—Gus Hebgren, Wisconsin special agent of the German of Freeport, becomes Wisconsin special agent of the Concordia Fire.

—According to a statement just issued by Commissioner of Insurance Barry, the Michigan fire companies are in good financial condition.

—S. C. Grant of Denver, Col., has been appointed special agent of the Springfield Fire and Marine for Colorado, Wyoming and New Mexico.

—The Seaboard Fire and Marine of Galveston has been admitted to Michigan. A. E. Whitbeck of Detroit is attorney for acceptance of service.

—Allen C. Frink, former Michigan special agent of the Calumet, has been appointed special agent of the Shawnee Fire for Michigan and Ohio.

—The Indiana Association of Underwriters has elected W. H. Fulton president; H. B. Heywood, vice-president, and James McBeth, secretary and treasurer.

—Thomas M. Hogan, for several years counter man in the Chicago office of the Queen, has been appointed Cook county special agent of the Metropolitan Fire.

—The reception to be tendered W. S. Loudon, the retiring Iowa State agent of the Liverpool and London and Globe, will take place at Des Moines, December 10.

—H. J. Hoffman, Missouri special agent of the German of Freeport, goes with the Connecticut in the same field under State Agent Fleming. C. C. Clark takes Mr. Hoffman's field for the Royal.

—C. W. Higley, Western manager of the Hanover Fire, has sold his interest in the Chicago local agency of Higley & Yager to his partner. The firm will hereafter be known as L. E. Yager & Co.

—Frank J. McCabe, Cook county special agent of the Fire Association, has been appointed special agent for the mountain field, succeeding F. M. Avery, transferred to the Pacific Coast. W. P. Coffey succeeds Mr. McCabe as Cook county special.

—The Calumet Insurance Association has been organized by agents of Hammond, East Chicago, Whiting and other Indiana towns. The object is good fellowship and opposition to the inroads of brokers. The officers are: J. F. Irish, president; J. S. Blackmun, secretary.

—The Iowa nest of the Ancient and Honorable Order of the Blue Goose was recently built at Des Moines. The officers elected were: J. W. Warnshuis,

most loyal gander; E. S. Phelps, supervisor of the flock; W. A. Hand, custodian of the goslings; Geo. W. Holton, wielder of the goose-quill; C. W. Fracker, keeper of the golden goose egg, and W. H. Harrison, guardian of the nest.

—N. J. Schrup, secretary of the Dubuque Fire and Marine, stated recently that the company desired to stay in Dubuque, but unless the Iowa law taxing premiums of fire companies of that State on business done in all States was amended the company would probably move to Chicago.

—Judge Kelly of the District Court has filed an order in the case of Insurance Commissioner O'Brien against the State Mutual Fire of St. Paul, in which he calls upon creditors having claims to show cause at special term Dec. 15 why the petition of the receiver should not be granted, a dividend of fifty per cent be allowed and the bond of the receiver reduced to \$5000.

—W. S. Warren, resident secretary at Chicago of the Liverpool and London and Globe, completed forty years' service with the company this week. The occasion was marked by numerous congratulations. Beside a host of callers, a cablegram from the home office and telegrams from the various departments and leading agents of the company voiced sentiments appropriate for the occasion. The office force literally bried their chief's desk with floral decorations, and presented him with an engrossed testimonial.

—Acting under an opinion from Attorney-General Hadley, Superintendent of Insurance Vandiver has rejected the application of the Guardian Fire of Pittsburg to do business in Missouri, basing his rejection on the ground that the \$1000 fine imposed on the Armenia of Pittsburg for alleged violation of the anti-compact law during the administration of Attorney-General Crowe, and which was not paid by the Armenia, is a liability due the State, and assumed by the Guardian Fire when it absorbed the former company. The Guardian, however, denies its liability in the premises and refuses to pay.

THE SOUTH.

—The Southern Fire of Lynchburg has entered Kentucky.

—Thomas G. Hensey, one of the oldest fire insurance agents in Washington, D. C., died last week.

—The Queen of New York has established a second agency at Atlanta, in the office of W. R. Joyner & Co.

—Gould Barrett, one of the best-known local agents of Augusta, Ga., is reported to have severed his connection with the local board.

—M. A. Shumard of New Orleans, former Southern general agent of the German of Freeport, has been appointed Southern general agent of the Ohio German Fire.

—The municipal authorities at Cairo, Ga., have passed an ordinance requiring a tax of \$10 from every company represented there. This is in addition to the municipal license of the agent.

—The Indemnity Fire of New York has instructed its agents in Mississippi to resume writing. The company suspended operations in that State a few weeks ago in consequence of the anti-trust laws, but competent legal opinion has been secured to the effect that it is not operating in violation of the act.

PACIFIC COAST.

Fire Insurance Conditions at San Francisco.

[FROM OUR OWN CORRESPONDENT.]

In the first few anxious weeks succeeding the San Francisco fire, the troubled shareholders of many a company associated California in their thoughts with the dread of more earthquakes and another big conflagration. Such fears, very natural at the time, have apparently given place to a feeling of uneasiness regarding the existing California laws and the prospect of adverse legislation being passed during the next State session.

The people living in that portion of California affected by the earthquake (not unreasonably, considering the state of their nerves) were likewise in some dread of another great shock. But as time passed and the succeeding quakes diminished in force, confidence reasserted itself, and scientific arguments prevailed. It is a well-known fact that the crust of the earth readjusts itself from time to time, as a result of shrinkage, volcanic action below the surface, or the shifting of weight by erosion and alluvial deposits. Such readjustment takes place along the lines of least resistance, and twice within the last century the earth has slipped on a fault that takes San Francisco within its boundaries. Last April it slipped about 6 feet, as can easily be seen by the ruptured fences, pipe lines, and other evidences. Where the next slip will be it is impossible to say, but with the many thousand faults scattered over the country, San Francisco and its vicinity is considered by the experts to be immune for a long period of years. In other words, the earth has

settled down to a secure foundation. It is only in volcanic countries that earthquakes are continually recurring. Incidentally, it may be mentioned that the area affected by these two great earthquakes comprises only a trifling fraction of California's territory.

Nor has the apprehension of another conflagration better foundation. Even more unexpected in their choice of localities than earthquakes, conflagrations are at least possible of prevention. San Francisco's costly warning has not gone unheeded on the Pacific Coast, and to the natural dread felt in other cities of meeting a similar fate, is added the increased affluence growing out of a larger share of the coast trade. A town, like a building, is a better risk when its occupants are making more money.

The writer, when in Seattle recently, could not fail to notice the disposition of her citizens, being forewarned, to also be forearmed. Seattle's narrow streets and the character of some of her blocks, make the conflagration hazard a thing to be considered. It was reassuring to observe that men's minds were alive to the danger and already applying the remedy—more water, more engines. In other coast cities the same effort toward precautions is noticeable.

In regard to the California laws, so far as they affect insurance companies, the matter of stockholders individual liability is one that is engaging considerable attention. At first sight the statutes covering this point are very liable to cause alarm. But a careful study of the subject tends to change a *prima facie* opinion.

The law in California provides that each stockholder of a corporation is individually and personally liable for such proportion of all its debts and liabilities contracted or incurred during the time he was a stockholder, as the amount of stock or shares owned by him bears to the whole subscribed capital stock or shares of the corporation (Art. XII, Sec. 3, Constitution of California and Sec. 322, Civil Code of California). It is also set forth in the civil code that stockholders of corporations organized in any other State, or in any foreign country, and transacting business in California are equally liable individually and in the same manner as the shareholders of California corporations.

The stockholders of insurance companies organized under the laws of California can undoubtedly not escape the provisions quoted, if the code is enforced, for the rulings of both the State and the Federal courts have ruled that the law is valid—and it has also been held in California courts that the statutes can be applied to the stockholders of foreign corporations. But as a matter of fact, such a ruling would have no practical effect unless the defendant stockholder had attachable property in California. The opinions of those lawyers that have investigated this matter closely agree upon the virtual inutility of the law—so far as it affects corporations foreign to California. The power of a State legislature does not extend far enough to permit interference with the rights of residents of other States. Any exceptions to this statement are of a character that do not affect the present case, unless, possibly, in the case of a company formed in one State for the sole purpose of transacting business within the confines of another State.

Although California courts would undoubtedly give judgment against the stockholders of a corporation, even if organized under the laws of another State, such ruling would not be binding unless confirmed by the courts of the State in which such a stockholder resided. It may be safely predicted that the courts of the State so affected would rule only in accordance with its own laws, and would not set them aside in order to sustain or enforce the provisions of the California code. Any one may, in fact, lead a stranger to a local contribution box, but it is quite possible that he will refuse to subscribe.

This is really the attitude displayed at the present time by those insurance companies that have been unwilling or unable to pay conflagration losses in full. In the early days of adjustments it was loudly proclaimed that the California laws would be used to force unwilling stockholders to make up whatever money was lacking to meet the total claims of policyholders, and no better time could have been selected than this to test the validity of the statutes. Given the power to enforce these laws, no company could successfully plead lack of funds to meet its losses in full. Yet company after company has settled nine-tenths of its claims at figures ranging all the way from twenty-five to seventy per cent, upon the candidly expressed grounds that it was all it could afford to pay. Is it then reasonable to suppose that the law would hold when so many California merchants would accept a pittance instead of going into court? The other tenth or so of the claimants are still holding out for 100 per cent, and it is barely possible that they may win out by the aid of this law. It is, however, far more likely that such companies, having settled all the claims they can at the regular cut, will find enough money still left to offer a better compromise, or even a full payment, to clean off the slate.

Thus it is improbable that the point will be definitely ruled upon and the law may be regarded as dead, unless proven possible of enforcement at the time of the present catastrophe.

Such issues have now become nearly akin to those of the past, but another hug-bear is looming up as the time draws near for the meeting of the next legislature. Many eyes are looking toward Sacramento with anxiety, but the prevailing opinion is that really adverse legislation is not a likely event at the present time. Thinking the matter out, with a proper knowledge of conditions, it will be seen at once how harmful to the interests of the people of California and how fatally detrimental to the prospects of San Francisco such legislation would prove to be. With the rates increased all over the State, and local agents unable to handle all the business of their clients, any movement tending to drive even more companies out of the State would not result in pleasing the men who need insurance for protection. And in San Francisco the withdrawal of more companies would be a real menace to the rebuilding of the city. At the present time merchants in San Francisco cannot obtain enough insurance, even at ten per cent rates, to cover their stocks, or propertyowners to safely invest much money in buildings. Rates have strained the situation to the breaking point, and they exist at so high a figure, not on account of the hazard, which is really nothing like so bad as depicted, but merely because insurance is so difficult to obtain. Many companies have withdrawn from the State, many refuse to write in San Francisco, those large companies that plunged for the first few months have been obliged to close down on block limits before the rates reached the top notch, and Lloyds underwriters in London, although absorbing an immense volume of premiums, are showing signs of tiring.

It is not reasonable, then, to expect that the new legislature, when it meets next year, will impose a deposit law in order to force out another long list of companies and leave the people at the mercy of a comparatively few offices, with no hope of a relaxation of rates or the much-needed increase of carrying capacity.

It is, however, likely that legislation will be enacted rendering it impossible to have such "jokers" as the earthquake clauses have proved to be inserted in contracts, by enforcing some standard policy law. And an act of this kind would be little more than an act of justice, and would work no real hardship upon anybody. Neither is it improbable that an attempt will be made to limit, or at least declare, the amount of liability carried in each city by each company. The immense difficulty, however, of framing such a measure will in all likelihood forestall its introduction.

In the meantime a number of companies have been applying in vain to the Insurance Commissioner for admittance to the State. It is believed that all these are companies with very small amounts of net surplus, and the Commissioner's delay in issuing licenses is attributed to this fact, though with what justice it is impossible to say, since the law only provides that the capital of a company doing business in California must not be less than \$200,000. Many insurance men in San Francisco consider that the Commissioner wishes to postpone the entrance of new companies until the law is, if possible, amended, in order to avoid the difficulties attending retroactive measures. A well-known insurance attorney has had this matter placed in his hands by certain companies, and it is possible that some interesting litigation may be the outcome.

San Francisco, November 29.

OCCIDENTAL.

MISCELLANEOUS FIRE NEWS.

Amounts Invested in Fire Insurance in 1906.

During 1906, and chiefly following and owing to the San Francisco conflagration, numerous fire insurance companies found it necessary or desirable to increase their surplus funds, in order to partially offset the unusual expenditures for losses. Various methods were adopted to accomplish this end, such as direct contributions to surplus by stockholders; reduction of capital stock; sale of new capital stock at a premium; taking credit for securities, either sold or held, at prices higher than used in previous statements, and reinsurance of risks to secure the commission thereon. A number of companies have taken advantage of the prevailing conditions to increase their capital, generally selling the new stock at a premium in order to add to the surplus, and a considerable number of new companies have been organized, the present being considered an auspicious time for the starting of new ventures in fire underwriting. Below will be found tabulations indicating the extent to which new capital has been, or will shortly be, invested in the business of fire insurance in the United States, not all of the plans having as yet been fully consummated.

It should be borne in mind that the companies listed below are all domiciled in the United States, and that the foreign companies operating in this country have sent over vast sums this year to meet their San Francisco losses. Considering both American and foreign companies, in relation to business in the United States, the amounts of

capital invested and surplus contributed or remitted from Europe in 1906 have been approximately as follows:

Capital and initial surplus of new companies.....	\$15,870,150
Capital increases and surplus contributions in old companies.	30,448,093
Surplus funds sent from home offices of foreign companies estimated at	50,000,000

Total investment made in ten months in 1906 in American fire underwriting \$96,318,243

The tables presented below will give information as to the changes in capital and surplus contributions of the respective companies named:

CAPITAL CHANGES AND SURPLUS CONTRIBUTIONS.

NAME AND LOCATION OF COMPANY.	SURPLUS INCREASED BY			Capital Increased.	Total Additions to Capital and Surplus.
	Capital Reduction.	Cash Contributions.	Premium on New Stock.		
Allegheny Fire, Allegheny.....	\$50,000	\$100,000	\$150,000
Allemania, Pittsburg.....	100,000	200,000	300,000
Alliance, Philadelphia.....	\$750,000	.....	.....	750,000
American Central, St. Louis.....	1,000,000	1,000,000	2,000,000
Assurance Co. of Amer., N.Y.....	\$200,000	.....	.....	-200,000	.....
Atlantic, Raleigh.....	25,000	.....	.....	25,000
Atlas, Des Moines.....	160,000	160,000
Austin Fire, Austin, Texas.....	211,000	.....	.....	-211,000	.....
California, San Francisco.....	1,440,000	.....	.....	1,440,000
Calumet, Chicago.....	500,000	.....	.....	500,000
Commercial, Houston.....	25,000	.....	.....	25,000
Commonwealth, Dallas.....	11,647	58,232	69,879
Concordia, Milwaukee.....	50,000	100,000	150,000
Connecticut, Hartford.....	500,000	500,000	1,000,000
Consolidated F. and M.....	60,000	73,220	133,220
Delaware, Philadelphia.....	421,725	.....	118,850	{ -421,725 } \$118,850	237,700
Eagle Fire, New York.....	450,000	300,000	750,000
Equitable, Charleston.....	82,200	82,200
Federal, Jersey City.....	100,000	500,000	600,000
Fire Association, Phila.....	1,250,000	250,000	1,500,000
Firemans Fund, San Fran.....	2,000,000	.....	650,000	2,650,000
Franklin, Philadelphia.....	300,000	300,000	600,000
German, Pittsburg.....	100,000	100,000
Girard F. & M., Phila.....	400,000	200,000	600,000
Hamilton, New York.....	50,000	50,004	100,004
Hanover, New York.....	*500,000	.....	250,000	{ -500,000 } *500,000	750,000
Hartford Fire, Hartford.....	3,000,000	750,000	3,750,000
Ins. Co. of State of Ill.....	50,000	50,000
Ins. Co. of State of Pa.....	200,000	.....	.....	-200,000	.....
Jefferson, Philadelphia.....	75,000	.....	.....	75,000
Mercantile F. & M., Boston.....	200,000	130,000	.....	-200,000	130,000
Michigan Com'l, Lansing.....	70,000	100,000	170,000
Michigan F. & M., Detroit.....	200,000	.....	.....	200,000
Milwaukee Fire, Milwaukee.....	150,000	.....	.....	150,000
Milwaukee-German, Mil.....	10,000	50,000	60,000
Milwaukee Mechs., Mil.....	300,000	300,000	600,000
National, Allegheny.....	300,000	300,000
National Union, Pittsburg.....	1,050,000	.....	.....	1,050,000
New Brunswick, New Bruns.....	100,000	.....	.....	100,000
New England Fire, Prov.....	72,500	100,000	172,500
Niagara, New York.....	250,000	.....	500,000	{ -250,000 } 500,000	1,000,000
North State, Greensboro.....	50,000	100,000	150,000
Northwestern F. & M., Minn.....	115,000	100,000	215,000
Northwestern Nat'l, Mil.....	400,000	400,000
Orient, Hartford.....	†200,000	.....	.....	200,000
Pelican, New York.....	350,000	.....	.....	350,000
Pennsylvania, Philadelphia.....	1,050,000	350,000	1,400,000
Phenix, Brooklyn.....	1,000,000	500,000	1,500,000
Prudential, Atlanta.....	250,000	250,000	500,000
Queen City, Sioux Falls.....	225,000	300,000	525,000
Republic, Norfolk.....	75,000	150,000	225,000
Rochester German, Roches'r.....	520,000	300,000	820,000
Seaboard F. & M., Galveston.....	30,000	.....	.....	30,000
Security, New Haven.....	*187,500	.....	112,500	{ -187,500 } *187,500	300,000
Shawnee, Topeka.....	100,000	100,000	200,000
Southern, Lynchburg.....	91,545	91,545	183,090
Star, Louisville.....	100,000	.....	.....	{ 100,000 } -100,000	75,000
State, Omaha.....	50,000	50,000
Teutonia, New Orleans.....	125,000	.....	.....	125,000
Union, Philadelphia.....	254,500	.....	.....	254,500
United Firemens, Phila.....	100,000	100,000	200,000
Washington, Seattle.....	50,000	150,000	200,000
Winona, Minneapolis.....	40,000	40,000
Totals.....	\$2,270,225	\$7,404,500	\$12,382,042	\$58,391,326	\$30,473,093

* Capital reduced and restored to original amount. † Decreased \$421,725; increased \$118,850. ‡ Estimated. § Net. — Decrease. ¶ Stock notes paid.

NEW STOCK FIRE INSURANCE COMPANIES IN 1906.

Name and Location of Company.	Capital.	Subscribed Surplus.
Acme, Lisbon, Ia.....	\$100,000	.....
Adirondack, New York.....	200,000	\$100,000
American Railway, Cleveland, Ohio.....	200,000	300,000
Atlantic, Raleigh, N. C.....	125,000	.....
Cosmopolitan, New York.....	300,000	150,000
Dixie, Greensboro, N. C.....	500,000	250,000
Dutchess Fire, Poughkeepsie, N. Y.....	200,000	.....
Eastern Shore, Keller, Va.....	70,000	.....
Fidelity Fire, New York.....	1,000,000	1,500,000
Firemens Fund Insurance Corporation, San Francisco...	800,000	800,000
General, New York.....	250,000	250,000
German Union, Baltimore	200,000	100,000
Home, McAlester, I. T.....	25,000	.....
Home, Wheeling	20,650	.....
Home, Phenix, Ariz.	100,000	50,000
Illinois Bankers, Mount Vernon, Ill.....	100,000	25,000
Imperial, Denver	200,000	100,000
Inter-State, Texarkana, Ark.	50,000	.....
Inter-State, Suffolk, Va.....	200,000	.....
Iowa Manufacturers, Waterloo	100,000	25,000
Liberty, Rochester, N. Y.....	200,000	100,000
Merchants, Little Rock	50,000	12,500
Merchants, Philadelphia	500,000	500,000
National American, Philadelphia	1,000,000	1,000,000
National Brewers, Chicago	100,000	50,000
New Amsterdam, New York.....	*	*
New England, Providence	100,000	50,000
New Jersey, Camden	200,000	50,000
New State, Oklahoma, Okla.....	100,000	.....
North Carolina, High Point.....	50,000	.....
Old Colony, Boston	400,000	200,000
Peoples, New York.....	200,000	40,000
Peoples Fire, Norfolk, Va.....	200,000	100,000
Pioneer, Seattle	100,000	25,000
Reliable, Tulsa, Okla.	15,000	.....
St. Louis Fire, St. Louis	100,000	50,000
Scottish Fire, Fayetteville, N. C.....	100,000	.....
Southern Home, Bartow, Fla.	250,000	.....
Southern National, Austin, Tex.....	100,000	50,000
Southern States, Greensboro, N. C.....	750,000	.....
Standard, Fordyce, Ark.	50,000	.....
Texas National, Fort Worth.....	100,000	25,000
Underwriters, Rocky Mount, N. C.....	50,000	12,500
Western F. and M., Oklahoma, Okla.....	750,000	250,000
Totals	\$9,955,650	\$5,914,500

* Amount of capital not yet fixed; stock to be sold at 200 per cent.

—The Fire Association of Philadelphia has taken over all the outstanding risks of the United Firemens in California.

—The old home office building of the Springfield Fire and Marine in Springfield, Mass., has been sold for \$160,000.

—The report of the Union Pacific Railroad gives the operation of its insurance fund during the year ended June 30, 1906, as follows: Total receipts to June 30, 1905, \$841,677; premiums collected during the year, \$174,888; total, \$1,016,565. Total disbursements to June 30, 1905, \$436,649; losses paid during year, \$127,394; total, \$564,044. Surplus June 30, 1906, \$452,521.

—The "Missouri Hand Book" for 1906, corrected to October 1, 1906, has been published by The Western Insurance Review Company. It contains lists of insurance companies operating in the State, with data as to their condition; lists of general, special and local agents, with names of companies represented, and other information. The towns are arranged alphabetically, and among the items given are their population and a brief summary of their fire protection.

LIFE INSURANCE TOPICS

BOSTON AND VICINITY.

The Business Men's League was organized in Boston the past week, the object being to secure legislation for placing industrial insurance with the savings banks. As a sample of the personnel of the "Business Men's League," the members include Bishop Laurence, Judge Lowell and Henry L. Higginson. The idea is said to have originated with Louis D. Brandeis, who asserts, avers and declares that of every dollar paid by industrial policyholders fifty cents goes into the expense account, whereas the expense of managing the savings banks of the State, with 1,829,487 accounts, and \$116,026,890.90 of deposits is only one-quarter of one per cent, exclusive of taxes.

NOTES FROM PHILADELPHIA.

J. L. Benjamin has severed his connection with the Pennsylvania Mutual Life which he assisted Irwin Zimmerman in reorganizing.

It is said that plate-glass insurance companies are beginning to

realize that at present rates it is suicidal to make the cuts uniform the city over, and to this end certain of the companies are refusing to meet the competition in localities which by experience they have found to be unprofitable. It is said that the leading companies here will all show a loss in the business of 1906, and the advance of five per cent on window glass announced by the trust last week still further aggravates the situation.

A charter has been granted the new Economic Life of this city, and as \$100,000 of the capital has been paid in in cash and a good surplus provided, it is expected that it will begin business about January 1, 1907.

It was said last week that the Barber Asphalt Company would refuse to repave the streets in this city condemned by the Highway Bureau, because of non-compliance with the specifications, and Director of Public Works Hathaway says that in the event of such refusal he will compel the bonding company to do the work.

THE MIDDLE STATES.

The Pennsylvania Department Approves Stock-Selling Plans.

The Philadelphia Life Insurance Company in its first year wrote \$17,000,000 of new business, and at the same time accumulated assets of \$725,000. In connection with the placing of its policies it sold shares of its stock, and now has a paid-up capital of \$400,000. The following correspondence is interesting in this connection:

Philadelphia, October 12, 1906.

Honorable David Martin,
Insurance Commissioner,

Harrisburg, Pa.

Dear Sir: We desire to direct your attention to the Philadelphia Life Insurance Company of this city, which is selling stock in connection with life insurance in that company; the option to purchase said stock being extended to those who accept and pay for policies of insurance, and we ask if this conduct does not constitute an inducement "not specified in the policy contract of insurance," in violation of Chapter 308 of the Pennsylvania laws in 1889. We may add that Insurance Commissioners Crouse of Maryland and Vandiver of Missouri have recently ruled upon similar matters. We shall be obliged if you will give this your careful consideration, advising us of the conclusion reached.

Very truly yours,

PHILADELPHIA ASSOCIATION OF LIFE UNDERWRITERS,
W. A. HIGINBOTHAM, President.

To which letter Commissioner Martin sent the following reply:

Mr. W. A. Higinbotham, October 30, 1906.
Stephen Girard Building,
Philadelphia, Pa.

Dear Sir: I am in receipt of yours of the 12th instant relative to the right of life insurance companies to sell stock of the corporation in connection with policies of life insurance in the company, and in reply beg to say that I have given this matter very considerable thought and attention, and cannot see wherein it violates any provision of the Act of 1889 prohibiting the giving of rebates, etc.

The agitation all along the line of late has been to place the management of life insurance companies in the hands of the policyholders, and it seems to me, as long as we must have stock companies, that the policyholder can have better control by being a partner in the corporation than merely as a policyholder. If the stock of the company were given away or sold at a mere nominal sum, it would undoubtedly be receiving valuable consideration or inducement to insurance; but this is not the case, as they pay not only the par value of the stock, but a large bonus for the privilege of securing it, and I cannot see where the valuable consideration or inducement comes in. Respectfully,

DAVID MARTIN,
Insurance Commissioner.

Mortgage Loans in New York City.

According to The Real Estate Record and Guide, in the case of one of the New York life companies twenty times as much money was invested between January 1 and November 1, 1906, in railroad and other bonds as in New York real estate mortgages. The New York Life made eleven loans, aggregating \$1,626,500. The Mutual Life made seventy-seven loans, aggregating \$3,430,500. The Equitable Life made thirty loans, aggregating \$7,954,000. The actual amount loaned out by the society in the first eight months was less than \$1,200,000. The Metropolitan Life made forty-eight loans, aggregating \$15,750,500, about twenty per cent more than all the other companies combined.

Two of the loans made by the Equitable aggregated \$6,700,000. One of these loans, for \$4,200,000, was made on September 11 at five per cent on the building at Nos. 111 to 119 Broadway. The other large loan, \$2,500,000 at four and one-half per cent, was made two weeks later on the Brunswick building, Nos. 213 to 231 Fifth avenue. Most of the loans made by the Metropolitan Life were for comparatively small amounts. The

two large mortgages were for \$5,000,000 each. The first was taken in May, on the skyscraper being erected at Nos. 165 to 171 Broadway, at from five and one-half to five per cent. The other was on the new Plaza Hotel, at Fifty-eighth and Fifty-ninth streets and Fifth avenue. This loan was made at five and one-half per cent during construction and at five per cent thereafter.

Practically all of the Mutual loans are in the form of bonds. The largest single amount advanced is \$500,000 on the building at the north-east corner of Fifteenth street and Fifth avenue. One of the loans recorded by the New York Life Insurance Company was for \$800,000 at five per cent, on the Bennett building in Nassau street, from Fulton to Ann streets. The next largest loan was on the building at the southwest corner of Sixty-second street and Broadway. This loan, for \$350,000, at four and one-half per cent, was made early in September.

George E. Ide on Limitation of Expenses.

At the recent dinner given by the Rochester Association of Life Underwriters in honor of Frank E. McMullen, president of the National Association of Life Underwriters, George E. Ide, president of the Home Life of New York, spoke on the law governing expense limitations. During his address he expressed the following views:

I believe in what Mr. McMullen has said, that legislation should not precede but should follow the business of life insurance, but I also recognize the fact that the law limiting the expense will work a sort of reform in our business which should have come from the inside rather than outside sources. It was a fact that the expense of securing business was out of proportion to the business. I believe that this expense limitation clause is not going to hurt the good agent, the real worker. He will do enough business in an honest manner to get along. It is the man who has been drawn into the business by the promise of large premiums and who has not done much real work, who will be hurt. The effect of this law will be to put a stop to rebating as no other measure could. I like a good fight, but I also like to know that my opponent is using the same weapons that I am using.

THE WEST.

Ohio Items.

Subscriptions to the new stock of the Midland Mutual Life Insurance Company of Columbus are coming in rapidly. All of the first issue of \$100,000 was taken before the company was organized, and that being sold now is part of an additional issue of \$100,000.

In a decision handed down by the Circuit Court a few days ago, the late Frank Jordon, a prominent life insurance broker of Cleveland, was declared to have been insane for some time before his death, and the \$5000 insurance held in the Mutual Life will go to his wife. Some time before his death he transferred the policy to his sister, leaving the wife with very little after his death. The case has been hard fought on both sides.

—The Guarantee Life is the title of another insurance company being organized in Indiana.

—The Prudent Patricians of Pompeii, of Saginaw, Mich., have increased rates fifteen to thirty per cent.

—The Central Life Insurance Company is being organized at Fort Scott, Kan., by Grant Hornaday and the firm of Tiernan & Stout.

—The Exalted Grand Circle of the Protected Patriots of Husbandry, of Coopersville, Mich., has been authorized to begin business in that State.

—On account of the anti-trust law of Arkansas the Massachusetts Mutual Life has taken up practically all its loans in that State, amounting to about \$700,000.

—Illinois life men are planning concerted action against rebating abuses, and over \$1000 was subscribed for this purpose at a meeting held last week in Chicago.

—The Illinois Department has refused to license the Lincoln Life and Casualty Company to write both these lines of insurance, claiming that the Illinois law does not provide for this condition.

—The Oklahoma constitutional convention has decided to appoint a standing committee on insurance to consist of eleven members. It is evident that considerable attention will be paid to insurance matters in Oklahoma.

—At the last session of the Wisconsin Legislature an additional actuary was provided for at a salary of \$2500 a year. Applications for the position are now being received by George E. Beedle, Insurance Commissioner-elect.

—The Iowa legislative commission has turned down Auditor Carroll's recommendation to compel annual distribution of surplus, and favors leaving the matter of taking a deferred dividend or annual distribution policy entirely at the option of the policyholder.

—The Northwestern National Life has commenced actions against W. F. Bechtel and Jacob F. Force, former officers of the company, to recover funds alleged to have been fraudulently taken from the company. Bechtel and Force have been indicted by the Grand Jury, and the present management has been

advised to bring civil actions. These cases will not be tried until the next term of court, and they will await the outcome of the criminal cases against Force and Bechtel. The former was convicted, and the Supreme Court has yet to act upon his appeal. Bechtel has other cases against him.

—The Insurance Commissioner of Michigan has notified the division scribes of the Order of Patricians that he considers the reinsurance of that order by the Fraternal Brotherhood of America of Los Angeles a very poor proposition for the members of the Patricians, and gives them very little encouragement as to the security of their insurance.

—The Anchor Life Insurance Company of Indianapolis, which filed articles of incorporation recently, will operate under the legal reserve deposit law of 1899, with a capital of \$100,000. The company will write participating policies. The incorporators are: W. L. Higgins, Rolla M. Malpas, W. B. Kitchen, W. E. Mick, H. S. Young, A. A. Young, M. H. Camden, John Weaver, E. R. Wolf and Elbert Boardman.

—Claiming that the new laws of New York State affecting life insurance, which will go into effect January 1, will ruin their business, ten leading life office managers will resign on or before that date. Those who will resign are: F. C. Campbell, Union Central Life; Thomas W. Astor, Security Mutual Life; John A. McLeon, Northern American Life; Fred. Hickey, Security Trust and Life; Richard Hardy, Fidelity Mutual; Fred Cody, Fidelity Mutual; Director Earl, New York Life; Manager Baxter, Manhattan Life; W. F. Sanders, Equitable Life.

—The Colorado National Life has recently appointed Ernest S. Smith and George P. Mason as managers for the States of Utah and Idaho, with offices in the Walker Bank building, Salt Lake City. The results thus far accomplished by this agency indicate that the selection of these gentlemen as managers for the territory named was a wise one. Another recent agency appointment is that of Robert and Joe Prewitt as general agents for New Mexico and Arizona. The company is arranging to enter in the very near future the following States: Missouri, Texas, Nebraska, Oklahoma, Washington and Oregon.

THE NEW ENGLAND FIELD.

—The new contracts of the Phoenix Mutual Life are now ready.

—To comply with the provisions of the new laws in New York, the Columbian National is cutting down its field force in Vermont to reduce expenses, in compliance with the new statutes.

—The Hartford Life has filed a demurrer to the complaint brought by certain policyholders in the safety fund department, making a general denial of the allegations and setting up technical objections to the manner of presenting the complaint.

THE SOUTH.

Inter-Southern Life Organizing.

The Kentucky Inter-Southern Life Insurance Company of Louisville is getting ready to begin business on January 1, 1907. The company is capitalized at \$250,000, and its underwriter and manager will be Charles W. Dorsey, who will have the title of fourth vice-president and general manager. He is well known in Kentucky, having held prominent positions with life companies in the Kentucky field. The officers of the company are: John H. Leathers, president; Ben T. Head, first vice-president; Charles E. Dallam, second vice-president; Judge J. A. Donaldson, third vice-president; Charles W. Dorsey, fourth vice-president and general manager; H. K. Cole, secretary-treasurer; Col. Bennett H. Young, general counsel; Dr. John G. Cecil, medical director; William D. Current, agency director. The company will write non-participating insurance, without resorting to special contracts, stock selling or other similar schemes.

—The South Atlantic Life of Richmond is preparing to enter a number of Southern States.

—Insurance Commissioner Young of North Carolina has signified his intention to investigate the insurance concerns in his State during the next two months.

MISCELLANEOUS LIFE NEWS.

Insurance Affairs in Great Britain.

[FROM OUR LONDON CORRESPONDENT.]

Slowly, but none the less surely, the excitement and undue apprehension on the part of the public in regard to American life insurance interests is subsiding. A large number of articles tending to alleviate the public concern have appeared in the insurance and daily press, and a more conciliatory tone is now clearly apparent. The most recent editorial comments are more particularly concerned with the Mutual Life of New York, which is showing a bold front on this side, and con-

fidence in the executive, as at present constituted, is being freely expressed.

The Financial News, one of the leading London daily newspapers, recently devoted considerable space to an interview which its representative has had with J. H. Harrison Hogge, the general manager for Great Britain of the Mutual Company, and which contains much interesting information. After the subject of the present management of the company had been discussed at length, Mr. Hogge's attention was directed to a rumor that the Mutual was doing little or no new business. In reply to this Mr. Hogge is reported to have said: "The statement about new business is quite without foundation. As a matter of fact, there is only one company in the United States that is doing more business than the Mutual, and only two that are transacting their business at a cheaper cost. If the statement is supposed to refer to the United Kingdom, I would suggest that people outside have no knowledge of what is being done. It is a fact that the long and continued agitation against the company has interfered with its work, but business has been done all the time." In support of this, Mr. Hogge produced documents showing, that for the summer months of June, July and August, the amount of business done was £116,298, with premiums of £4797, remarking that the record might excite the jealousy of many rival offices. The query was put as to what effect the secession of Mr. Haldeman and others to the North British had had upon the business of the Mutual, and which elicited the reply that certain individual policyholders had been harmed, partly by being unsettled and partly by transferring their policies at a loss to themselves. Mr. Hogge, however, declined to discuss the amount of business transferred to the North British, since there was an action pending in regard to the matter, but he volunteered the information that the policies surrendered for cash did not amount to £500,000, while the company's total insurance in force in the United Kingdom was, approximately, £15,000,000.

A short time back I referred to the fact that the National Union Society of Bedford had transferred its British fire and accident insurance business to the London and Lancashire Fire. It now transpires that the former office has a considerable colonial and foreign business—producing a net premium income of some £45,000 per annum—and which, having always yielded satisfactory profits, is to be retained.

Commenting further upon the competition which has of late been in evidence between the accident offices and fire offices, somewhat unlooked for developments are taking place. The Lancashire and Yorkshire Accident, one of the most recent invaders of the fire insurance field, and one of the most consistently successful of the smaller accident insurance offices is to be taken over by the Scottish Union and National, which office will thus be enabled to commence accident insurance business with a substantial premium income in that department. The Scottish Union and National has shown little or no desire to "take over" other companies, and consequently the proposed amalgamation came somewhat as a surprise—the more so as there is no apparent reason for the Lancashire and Yorkshire terminating its separate existence, beyond the fact that very favorable terms have been secured from the purchasing company.

One of the events of the year in accident insurance circles has been the retirement from the position of manager and secretary of the London Guarantee and Accident of E. G. Laughton Anderson, one of the best known, most popular and most highly esteemed of accident managers. Mr. Anderson founded his company in 1869, when accident insurance was almost in its infancy and the striking success and world-wide reputation of the company are evidence of his conspicuous skill and ability.

I referred last month to a new workmen's compensation bill now before Parliament. There appears to be at present some doubt as to whether this can come into force so early as January 1 next. An item of interest, however, is that it is proposed to introduce on behalf of the Board of Trade a further bill, the effect of which will be to make it obligatory to deposit with the government the sum of £20,000 as a preliminary to any new company securing powers to insure against the liability of employers. The precedent of the life insurance companies' acts is also to be followed in other respects, such as the filing of annual accounts, and of details of actuarial valuations in a prescribed form. Such a measure will, there is little doubt, have the cordial approval of responsible insurance men.

Returning again to the topic of American life insurance in Great Britain, a novel form of policy was advertised when public excitement was at its height. This was none other than an offer to guarantee the face value of policies in American life offices at a premium of two shillings per cent per annum. Two offices catered for this business, but with what results has not transpired. The scheme, however, has now ceased to be in evidence.

The much-talked of case of the Mutual Life of New York vs. the

North British and Mercantile and D. C. Haldeman—which was delayed owing to the long vacation—is now nearing a hearing. On the 6th inst., in the Chancery Division, Mr. Justice Swinfen Eady was asked by Sir R. T. Findlay, K. C., with whom was Mr. Eve, K. C., to fix a date, between November 15 and 30, for the trial of this action, which seeks to restrain the latter defendant from supplying the defendant company with information as to plaintiff's business, and to restrain the defendant company from using the information. Sir R. Finlay said the pleadings had been closed for some time, and, as certain witnesses had come from the United States, and the matter had stood over from July 6, when an interlocutory application for an injunction was made, it was only reasonable that the plaintiffs should get a day fixed between the dates mentioned. Mr. Warrington, K. C., said the documents in the case were so voluminous that the defendants could not get through them and be ready for the trial before December 10. His Lordship fixed December 6 for the trial, remarking that the plaintiff might wish to get its witnesses back to the United States before Christmas.

CHARTERS.

London, November 27, 1906.

Life Insurance Developments of the Week.

Samuel Untermeyer is preparing a case against one or more of the officials of the New York Life, in which he will charge that ballots have been forged in great numbers and voted for the administration ticket. The claim is made that it is positively known that a man has made an affidavit in which he tells of acting as a witness to the signing of seventy-four ballots, the names on which were forged. These names were all of former residents of the East Side, New York, who are now in Europe. The names and policy numbers are supposed to have been supplied to an East Side representative of the company by some one at the home office, and the alleged forgeries are said to have been made at a branch office. The policyholders committee managers claim to be in possession of information which will implicate some of the high officials.

The Governor of Tennessee, after holding a conference with Insurance Commissioner Folk in regard to the campaigning methods of the New York life companies, has sought the opinion of the Attorney-General as to what action the Insurance Commissioner is authorized to take under the present law.

December 15 is the date set for a hearing in the case of the Mutual Life against the Insurance Commissioner of Kentucky in the ouster proceedings brought by him.

Last Saturday, at Buffalo, Samuel Untermeyer and James McKeen of New York debated the question whether the international policyholders or the administration tickets of the Mutual Life and the New York Life should be elected. The debate took place at a joint meeting of the Saturn, Buffalo and University clubs.

The application of Stephen Farrelly, as a policyholder of the New York Life, for an injunction restraining the present officers of the company from conducting a campaign in favor of the administration ticket, has been denied by Justice Dowling in the Supreme Court. The Justice says that there is no evidence that the corporation's money has been improperly expended.

Owing to the illness of one of the jurors, the trial of George Burnham, Jr., has been delayed.

—The Toronto Life Insurance Company has reinsured its business in the Union Life Assurance Company of Toronto.

—Application will shortly be made to the Canadian Parliament to incorporate the Ottawa Life Insurance Company. Ewart, Osler, Burbridge & McLaren are the solicitors for the applicants.

—The Life and Accident Managers Protective Association, which has been organized in Chicago for protection from irresponsible solicitors and rounders, has elected the following officers: Charles M. Travis, United States Life Endowment Company, president; C. W. Horn, Chicago Endowment Life, secretary; E. A. Davis, Washington Life, treasurer.

—George Cohen has brought suit in Philadelphia to recover \$38,360 commission from the Mutual Life on policies aggregating \$1,200,000, issued in 1904 to Rodman Wanamaker. Cohen claims that he was to receive ninety-five per cent of the first premium of \$40,717; that, according to an agreement with the home office, Mr. Wanamaker was not required to pay the first premium, and that the first payment was credited to the second year.

Acknowledgments.

—"Official Comments on the New Insurance Laws of New York," by William C. Johnson of New York.

—Proceedings of the sixth annual meeting of the Associated Fraternities of America, held at Detroit, August 21 to 23, 1906.

Casualty, Surety and Miscellaneous

The Liability Situation.

Some years ago an old insurance man remarked that "we had not yet entered the vestibule of liability insurance." The flight of time bears out the truthfulness of this assertion and the more one studies the more interesting the subject becomes. The States are constantly changing their statutes until to-day there are measures in some States so drastic that the writing of this class of insurance is almost prohibitive, in fact several companies have either withdrawn or refuse to cross their border, while in others the laws have been so amended in favor of the employees that the companies have been compelled to materially increase rates for their own protection. The day is apparently not far distant when the State will say to an employer, you must reimburse your labor for loss of service at a fixed sum per diem or week according to earning capacity on account of ordinary accidents, and for more serious claims a special amount in addition thereto for medical or hospital expenses and bodily pain. When this change takes place, blanket accident policies will replace liability policies, or the insured will become a coinsurer with the company. Again the question of "shyster" lawyer and "ambulance" chaser has become so pronounced that steps are being taken to destroy its power and influence.

These and other problems are facing the liability companies regularly for solution. All matters must be met squarely like every-day business transactions. As laws change, policy forms and rates will change to meet the exigencies of the times. As the morrow will take care of itself, a brief portrayal of the present may be interesting.

The year 1886 witnessed the advent of the first liability company into the United States. Three years later a competitor entered the field. Since that time a number of companies have been organized for the ostensible purpose of writing this class of insurance, while several other companies have added this feature to well-established branches of life, accident and bond business. To-day there are no less than sixteen companies competing for this class of business in the State of New York. Some have stranded on the rocks of wastefulness and mismanagement, but for every loss there has been a gain to carry on the battle.

As companies enlarge their field of operations and embrace additional hazards, heretofore considered uninsurable, they are at the same time engaged in a weeding out process. This applies to business and brokers alike. Each new company is regularly besieged with "target" risks by questionable brokers, and unless the new fellow is an old hand at the game he plunges his company into bad repute at the beginning. The successful underwriter is the man who gains his knowledge through association and perception rather than years with the aid of a rate book.

Conditions are appalling. Companies backed by millions of policy contracts do not figure in the contest. The question is rate, rate, rate. Brokers are accused, and justly so, for this deplorable state of affairs. They "shop" their risks, using one company against another to lower rates for the purpose of protecting their business and to save another broker's rebate. The question of rebating has reached that state when no one but the insured derives the benefit. The Board of Fire Underwriters does not tolerate the giving away of commissions, directly or indirectly, but it is practiced and will continue, so long as the companies writing liability insurance do not adopt stern measures to regulate this evil.

Some years ago local managers formed a board, and during the life of that board perfect harmony prevailed among the companies. Rates were agreed upon for certain risks and a uniform commission to brokers adopted. The conference has performed its duties and the board died a natural death. If the managers were to throw off the cloak of dignity and form a board along the same lines now, much good might result.

The situation at the close of the year 1906 is worse than it was one year ago. Rates are lower and commissions higher. May the new year inaugurate a new order of things which will be a marked improvement over the old.

Investment Feature of Insurance Funds.

Second only in importance to the underwriting of an insurance company in the present day comes the question of income from investments, and it is therefore the duty of insurance presidents and managers to direct their attention, in addition to the coming legislation in the various States, to the currency question at Washington.

There is no doubt that the stability of business is jeopardized by an abnormally high discount rate, and we are assured that, until we have

an elastic currency, we are not safe. At the same time we are advised, on the authority of Secretary Shaw and others, that no remedial legislation will ever be secured except under the influence of panic. Under the impetus of Mr. Schiff and the New York Chamber of Commerce, the bankers in convention at St. Louis referred the whole question to a committee, who have made a report recommending among other features, the issuance of additional currency up to 40 per cent of the bond secured circulation with a tax of 2½ per cent, and up to 12½ per cent of the capital, provided the surplus exceeds 20 per cent of the capital, on payment of a 5 per cent tax.

It becomes the duty of every officer having the care of funds entrusted to his oversight to interest himself in this question, and if the proposed legislation is acceptable, to urge its passage by pressure upon Senators and Congressmen.

As bearing upon the importance of the income from interest on invested funds, it is hardly necessary to refer to the life companies, where the moneys are so large and the rate of interest earned is of vital concern to every policyholder in the country. Among the fire companies the margin of profit from underwriting over a large period of years covering an enormous business shows probably less than one per cent of the premiums, and even this narrow margin may be found eliminated when the San Francisco losses are charged. It is therefore to the investment or banking feature of the fire business that the companies must turn for dividends to stockholders. A company with a capital of \$1,000,000 may be able to gather in a premium income of two or three millions of dollars, and the interest on the reserves, capital and surplus may readily give a handsome return on the investment.

While this subject appeals strongly to both the life and fire companies, it is to the casualty companies, particularly to those doing a liability business, that the income from interest on investments are worth earnest attention. On the business done by casualty companies, the margin of profit on underwriting is extremely small; the older companies with large reserves can afford to underwrite, even if the losses and expenses absorb the entire premiums, while the new companies entering the field are compelled, or think they are, to pay higher commissions and reduce rates in order to secure business. It is extremely doubtful whether any company doing a liability business has ever made one dollar of profit on the actual underwriting of the risks, and the chances of doing so in the future have not improved. It is therefore interesting to turn to the following table and to note how strongly fortified the older companies have become by the accumulation of reserves producing interest:

CAPITAL AND RECEIPTS FROM INTEREST ON CAPITAL AND RESERVES OF CASUALTY COMPANIES FOR 1905.

NAME OF COMPANY.	Capital.	Interest.	Per Cent.
Fidelity and Casualty.....	\$500,000	\$289,878	58
Casualty Company of America.....	500,000	37,364	7
Central of Pittsburg.....	300,000	27,067	9
Continental Casualty.....	300,000	30,313	10
Employers Liability.....	250,000	78,120	31
Frankfort.....	200,000	33,241	17
Central of Pittsburg.....	250,000	24,563	10
London Guarantee.....	250,000	49,052	19
Maryland Casualty.....	750,000	105,180	14
New Amsterdam.....	314,400	24,514	8
Ocean.....	250,000	80,086	32
Travelers.....	1,000,000	394,992	39
United States Casualty.....	300,000	61,751	20
Total.....	\$5,164,400	\$1,236,121	24

It must not be forgotten that a loss of one per cent on underwriting where the premium income is large may wipe out the interest earnings of a company, and if one is desirous of being able to take advantage of the investment feature of insurance, it will be primarily necessary to see that the underwriting is sound and does not encroach on the interest earnings.

Death's Toll from Modern Industry.

While England, France, Germany and one or two other European nations keep more or less perfect records of the loss sustained by wage earners through accident or death in industry, the United States, on the other hand, has made little or no effort in this direction. From statistics compiled by the American Institute of Social Service, covering railroading, mining, building, manufactories and agriculture, it has been found that about 500,000 in round numbers are annually killed or incapacitated by accident in the United States. The Inter-State Commerce Commission reported for the year ended June 30, 1904, that 84,155 persons were injured and 10,046 killed on railroads alone; no account being taken of the accidents in car shops, engine works, etc.

For 1904, fifteen States reported 1905 men killed and 4081 injured in the mining industry. It is a fair assumption, therefore, that the loss in killed and wounded in the other States would foot up another 6000 or so; and with the casualties in smelting mills, hydraulic plants, etc., a conservative estimate of the annual loss in mining would not fall far short of 12,000. Regarding accidents in factories and the building trades, it is estimated that 400,000 workers are yearly sacrificed in these industries.

Clarence H. Mark, writing in the November issue of Insurance Engineering, says that in France, where records are kept, it has been found that 222,124 workers were either killed or injured, exclusive of mining and railroading, with a population less than one-half of our own, and with laws admittedly perfect. It is easy to see that twice this number, or 444,248, would be a just estimate of such accidents in this country, where the laws are notoriously inadequate.

Though the cost of production has been reduced to a science, the economic loss entailed through the maiming or killing of wage earners has been almost entirely lost sight of. In fact, we are on the verge of losing, if we have not already lost, a due sense of the value, importance and sacredness of human life.

Taking the total injured and killed throughout the United States in one year as 500,000, a conservative estimate by the way, what a loss in earning capacity alone is shown! Estimating the average earning power at \$500 annually, we get a loss of \$250,000,000 in this direction. What the loss in production amounts to we cannot easily guess. Commenting on this unnecessary waste of human life, Mr. Mark says that, instead of checking the waste, by preventing accidents in industry, the ruthless slaughter is allowed to go on. Whole families are thrown upon the community when the breadwinner is injured, and one of three choices is left them. Either the women and children must go into the factories and suffer from the "speeding up" process, or seek relief through charity. In case they are too proud to do this, the other recourse is starvation. Many choose the latter.

Recognizing that this deplorable state of affairs exists, it is obvious that something is necessary to take the place, so far as monetary conditions are concerned, of the injured breadwinner. This we have in the shape of accident insurance, and one of the most valued possessions of the wage earner should be an accident policy of an amount sufficient to keep the family in the necessities of life, in case of idleness owing to accident, or, on the other hand, enough to provide a comfortable living to dependent ones, in case of death.

The Adjusters Manual.

The Adjusters Manual for the Settlement of Accident and Health Claims, by C. H. Harbaugh, M. D., is one of the most practical works, and the only one of its kind ever issued. The purpose of this book is to assist insurance companies, railroad and transportation companies, adjusters and agents in the adjustment of claims resulting from accident or sickness. The author has formulated and classified, under appropriate heads, all conditions that can be met in dealing with this class of business. This has never been done before, and the result will be useful and valuable to every individual engaged in the settlement of personal accident or health claims. Technical terms have been absolutely eliminated in discussing medical subjects; the book, therefore, is easily comprehended by all. The manual will be of particular value to lodges and other fraternal organizations which have a benefit fund, since it places before them the result of many years of accident and health experience, and its use will save many thousands of dollars now expended annually in over-payments. The Spectator Company is sole selling agent for the book.—United States Review.

United Surety Affairs.

Last week it was stated that the stock of the United Surety held by the Commercial and Farmers Bank had been sold. Strong interests are thought to have acquired control, and it is their intention to continue the surety business after a thorough reorganization of the company. The bank interests are thought to have sold 2200 shares of the stock at about par, which is \$100. When the company was organized the stock was sold at \$150, the additional \$50 going to surplus account; \$500,000 was the capital stock and \$250,000 the surplus, so that the outstanding shares of the concern number 5000. The bank held 1000 shares of stock as part payment on the building which it owned on South street and which it sold to the surety company, the consent of the Comptroller of the Currency having been obtained to the deal. The full price paid for the building is said to have been \$235,000, of which \$75,000 was paid in cash. This is now assumed to be held among the assets of the bank to the credit of the holders of the "blue certificates," which class of stock

is distinguished from the "white certificates." The last named were issued when the impaired capital of the bank was made good, following its embarrassment in 1903. It was then reorganized, but the equity in the South street building and in other assets collectible was held by the Comptroller to inure to the benefit of the old stockholders, and not to the new.

Later advices are to the effect that the American Bonding Company is seeking control. President Cator of the American is said to have admitted that a deal was pending. Under date of November 30, announcement was made that a controlling interest in the United had passed to Ernest Knabe of Baltimore and others associated with him, who have purchased 3000 shares, which constitutes a three-fifths interest.

Some of the stockholders of the United are exercised over a rumor that they will be expected to give their assent to an assessment of \$60 on the stock, to be added to the surplus. As an alternative to this proposition they are confronted with liquidation or sale of their stock at \$70. The legality of the assessment proposition is questioned.

It is said that Mr. Knabe, who has purchased a controlling interest, will continue in the surety business, and that Frank F. Peard, banker and broker and formerly publisher of The Baltimore Herald, will be elected president.

The Title Companies and the Public Records.

Comptroller Metz of this city is complaining that the work in the bureau for collection of assessments and arrears is eight years behind-hand. The Comptroller says that the employees of this bureau, including its chief, have been so busy doing work for the title companies that no time is left in which to do the regular work of the department. Documents filed with the bureau are said to be promptly transcribed for the title companies, but are allowed to accumulate indefinitely before being entered on the public record. The title companies are receiving about \$100,000 a year from the city for information which any competent searcher should be able to get, but which can be supplied now only by a few private corporations.

Illinois Liability Laws.

It is impossible to say what will be the outcome of the efforts of the commission appointed by the Governor of Illinois to investigate the subject of workmen's insurance and employers liability statutes. The trades unions are opposed to compulsory insurance, and nothing along this line can be done without their support. It is probable that a new employers liability act will be recommended. At present negligence of a fellow servant can be used as a defense against liability by an employer, and the commission will no doubt give attention to this subject.

Casualty Notes.

—The Pacific Mutual Life has begun writing industrial accident business in several Pacific Coast States.

—The Travelers Insurance Company is exhibiting its automobile liability policy at the Automobile Show in this city.

—Herbert N. Ferres, superintendent and manager of the liability department of the Empire State Surety, has resigned.

—The Aetna Indemnity Company has discontinued the general agency of A. U. Quist of Des Moines, for Iowa, Nebraska and South Dakota.

—The Ocean Accident has made a highly advantageous connection in its Ohio field, where it has divided the territory formerly controlled by the general agency of P. W. Ward of Cleveland, and appointed H. S. Walbridge & Company of Toledo as general agents for all counties in the northern and western portion of the State, for all lines except credit and bank burglary. This appointment will doubtless result in a largely increased amount of business being written by the Ocean in the territory named.

—When the United States Casualty Company placed its Uscasco policy on the market, it was not done with the intention of issuing the accident part of the policy separately. There has, however, been such an insistent demand for the policy, in both full and half amounts, that the company has decided to issue the accident portion of the contract separately to those desiring it. The Uscasco accident policy, giving \$30—\$60 per week, will be sold to Class 1 risks for an annual premium of \$30;

Class 2 risks for \$35; Class 3 risks for \$50, in half and double amounts at proportionate rates. The contract provides a \$30 per week policy for a premium of \$30, or a \$15 per week policy for \$15.

—The petition of Finch & Co. of St. Paul for a writ of certiorari in their suit against the Maryland Casualty has been denied in the United States Supreme Court at Washington, thereby sustaining the decision of the Circuit Court of Appeals for the eighth circuit, which was favorable to the casualty company. Finch & Co.'s property was damaged severely in 1904, by a storm which the plaintiffs declared was a cyclone, as described in the policy, but the Maryland Casualty denied liability. Contrary to expectation, a distinct judicial definition of the word cyclone, to decide similar suits, was not given.

Surety Notes.

—The National Surety has taken advantage of the Automobile Show, now running in New York, to exhibit its automobile owner's bail bond or power of attorney.

—Growing out of the advance last year in the rates on excise bonds and the court proceedings brought against several bonding companies by Frederick B. Davidson, the Liquor Dealers Association of New York is organizing a surety company, to be known as the Standard; \$150,000 of the necessary funds have been obtained.

—Surety circles in St. Louis have been enlivened by competition for the bonds of the city officials just elected. The following are the amounts of the bonds: Sheriff, \$50,000; recorder of deeds, \$5000; license collector, \$25,000; clerk of Circuit Court, \$150,000; clerk of court for criminal causes, \$30,000; clerk three C's court, \$5000; coroner, \$10,000.

—All the surety companies in St. Louis have refused to go on the bonds of the new constables in that city. The companies will write these bonds only on the same basis as a bail bond, under which terms the constable will have to deposit a certified check or government bonds in the sum of \$500. One company came very near accepting \$100 as security, but the deal did not go through.

—The companies writing surety bonds in Atlanta have been annoyed by an applicant for a large bond, who has declared that certain ridiculously low quotations were made to him. The surety agents got together and found out that no such rates had ever been quoted for the bond, and they formed a cast-iron agreement that in this particular case they would get the full tariff rate, just to get even with the applicant for trying to bluff them. The applicant subsequently paid the full rate.

—That surety companies on the bonds of saloon-keepers may be held liable for damages caused by the effect of liquor sold, is shown by a case now pending at Missouri Valley, Ia., where the widow of a man who met a violent death while intoxicated has sued the American Surety Company and the United States Fidelity and Guaranty Company for \$12,000 damages, on the ground that her husband's death was due to intoxication resulting from the illegal sale of liquor by a saloon-keeper who was bonded by the surety companies.

—On Monday of this week, Attorney-General Mayer denied the application recently made to him to proceed for the annulment of the corporate existence of the American Surety Company, Fidelity and Casualty Company, Metropolitan Surety Company, United States Guarantee Company, American Fidelity Company, Bankers Surety Company, Federal Union Surety Company and the United Surety Company. The allegation was that they had formed a combination or monopoly in the business of furnishing bonds to holders of liquor tax certificates.

TOO LATE FOR CLASSIFICATION.

—The International Policyholders Committee has made public an affidavit in which Thomas C. Hindman, manager of the Mutual Life in Tennessee, tells of his personal experiences in hiring agents to work solely in the interest of the administration ticket. A list of the agents employed and the salaries paid is given. On Tuesday the Burnham trial was resumed, and the prosecution brought its case to a close. The testimony was chiefly as to the reputation of the defendant, and several new witnesses were called, including Frank H. Platt, the Senator's son; Edward Lauterbach and Justices of the Supreme Court Blanchard, Dugro and Davis, who declared his reputation to be excellent. Next week District Attorney Jerome will begin the inquiry into the irregularities in the management of the New York Life, and Andrew Hamilton is expected to give testimony throwing considerable light on the affairs of this company. The District Attorney's office has unearthed an interesting episode in the relations of ex-President Richard A. McCurdy of the Mutual and J. P. Morgan, in which the former caused the Mutual Life to purchase \$5,000,000 of New York, New Haven and Hartford Railroad bonds at an advance of \$37,500, in order to get even with Morgan, against whom he is said to have held a personal grudge.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Albany Insurance Company, Albany, N. Y.

Statement October 31, 1906: Assets, \$754,189; liabilities, except capital, \$211,950; capital, \$250,000; net surplus, \$292,238.

British-American Insurance Company, New York.

Statement October 31, 1906: Assets, \$494,892; capital, \$200,000; net surplus, \$31,428; San Francisco losses, net, \$158,461; paid in cash, \$119,265; unpaid, \$39,196.

Camden Fire Insurance Association, Camden, N. J.

Statement October 31, 1906: Assets, \$1,625,802; capital, \$400,000; net surplus, \$217,481; San Francisco losses, \$367,000.

City of New York Insurance Company, New York.

Statement October 31, 1906: Assets, \$683,757; capital, \$200,000; net surplus, \$264,001.

Commerce Insurance Company, Albany, N. Y.

Statement October 31, 1906: Assets, \$559,815; capital, \$200,000; net surplus, \$181,325.

Commercial Union Fire Insurance Company, New York.

Statement October 31, 1906: Assets, \$563,968; capital, \$200,000; net surplus, \$71,682.

County Fire Insurance Company, Philadelphia, Pa.

An examination of this company by the Pennsylvania Insurance Department as of October 31, 1906, shows: Assets, \$1,075,254; capital, \$400,000; net surplus, \$234,937.

Empire City Fire Insurance Company, New York.

Statement October 31, 1906: Assets, \$560,795; capital, \$200,000; net surplus, \$88,969; San Francisco losses, net, \$67,499; paid in cash, \$48,246; unpaid, \$19,253.

Equitable Fire and Marine Insurance Company, Providence, R. I.

Statement October 31, 1906, shows: Assets, \$1,143,589; liabilities, except capital, \$717,368; capital, \$400,000; net surplus, \$26,220.

Federal Insurance Company, Jersey City, N. J.

Statement October 31, 1906: Assets, \$2,676,101; capital, \$1,000,000; net surplus, \$187,229; San Francisco losses paid, \$483,669.

Prussian National Insurance Company, Stettin, Germany.

Statement October 31, 1906: Assets, \$1,409,866; surplus, \$351,772; San Francisco losses paid, \$807,997; net unpaid, \$125,031.

Indemnity Fire Insurance Company, New York.

Statement October 31, 1906: Assets, \$504,226; capital, \$200,000; net surplus, \$26,267; San Francisco losses, net, \$122,441; paid in cash, \$72,673; unpaid, \$49,767.

Inter-State Fire Insurance Company, Suffolk, Va.

Statement October 31, 1906: Cash assets, \$52,155; stockholders notes, \$81,300; total, \$133,455; total liabilities except capital, \$4066; capital, paid up, \$29,500; subscribed, \$110,800; net cash surplus, \$18,589.

Lincoln Mutual Fire Insurance Company, Philadelphia, Pa.

George J. Chetwood, general agent of the Liberty Mutual Fire of Philadelphia, has completed the organization of the Lincoln Mutual Fire. The officers of the new company are the same as those of the Liberty Mutual Fire, viz.: James B. Coryell, president; George Dudley Whitney, vice-president; Henry Farnum, secretary and treasurer. The Lincoln Mutual will, it is understood, have a guarantee fund of \$50,000.

Lumber Mutual Fire Insurance Company, Boston, Mass.

Statement October 31, 1906: Cash assets, \$303,461; cash surplus, \$183,249; contingent assets, \$664,881.

Minnesota Mutual Fire Insurance Company, St. Paul, Minn.

This company has removed from St. Paul to Minneapolis.

National Insurance Company, Allegheny, Pa.

Stockholders of this company have voted to increase the capital stock from \$200,000 to \$500,000. With the increased capital the company will largely extend its scope of business.

Northern Insurance Company, New York.

Statement October 31, 1906: Assets, \$857,602; capital, \$350,000; net surplus, \$141,704; San Francisco losses, net, \$2467, all paid.

North British and Mercantile Insurance Company, New York.

Statement October 31, 1906: Assets, \$962,616; capital, \$200,000; net surplus, \$549,909; San Francisco losses, net, \$13,500 (unpaid).

New England Fire Insurance Company, Providence, R. I.

Statement September 30, 1906: Assets, \$210,799; total liabilities, except capital, \$30,821; unearned premiums, \$30,100; capital, paid in, \$100,000; net cash surplus, \$79,978.

New England Lloyds, Providence, R. I.

Statement September 30, 1906: Assets, \$234,379; underwriters' deposits fully paid up, \$120,000; net cash surplus, \$88,610.

**New State Fire Insurance Company, Oklahoma City, Okla.
Western Fire & Marine Insurance Company, Oklahoma City, Okla.**

In reply to a letter of inquiry concerning the two companies above named, Insurance Commissioner Chas. H. Filson of Oklahoma says: "I am in receipt of your communication of recent date, and note what you say in regard to the Western Fire and Marine Insurance Company of Oklahoma City, also the New State Fire Insurance Company of the same place. They neither have been granted a permit by this Department, and I cannot commend them."

Pelican Assurance Company, New York.

Statement October 31, 1906: Assets, \$548,956; capital, \$200,000; net surplus, \$59,199; San Francisco losses, net, \$468,147; paid in cash, \$289,414; unpaid, \$78,733.

Pennsylvania Fire Insurance Company, Philadelphia, Pa.

At a recent meeting of the shareholders of the Pennsylvania Fire an increase in the capital stock from \$400,000 to \$750,000 was authorized. This will be made by issuing 3500 additional shares at \$400 per share, thus adding \$350,000 to capital and \$1,050,000 to surplus.

Peter Cooper Insurance Company, New York.

Statement October 31, 1906: Assets, \$465,493; capital, \$150,000; net surplus, \$50,514; San Francisco losses, net, \$52,503; paid in cash, \$39,097; unpaid, \$13,406.

Rochester German Insurance Company, Rochester, N. Y.

Statement October 31, 1906: Assets, \$2,048,455; capital, \$500,000; net surplus, \$334,532; San Francisco losses, net, \$603,902; paid in cash, \$435,735; unpaid, \$168,167.

Rossia Insurance Company, St. Petersburg, Russia.

Statement, United States branch, October 31, 1906: Assets, \$2,186,817; surplus, \$460,850; San Francisco losses, net, \$1,172,503; paid in cash \$700,316; unpaid, \$472,187.

Royal Exchange Assurance, London, Eng.

Statement October 31, 1906 (United States branch): Assets, \$2,472,215; surplus, \$934,627; San Francisco losses, net, \$2,948,028; paid in cash, \$2,887,395; unpaid, \$60,633.

Seattle Fire and Marine Insurance Company, Seattle, Wash.

Statement October 31, 1906: Assets, \$258,168; total liabilities, except capital, \$12,558; unearned premiums, \$8122; cash capital, \$200,000; net cash surplus, \$45,610.

Skandia Insurance Company, Stockholm, Sweden.

Statement October 31, 1906 (United States branch): Assets, \$1,038,923; surplus, \$360,380; San Francisco losses, net, \$643,427; paid in cash, \$593,162; unpaid, \$50,264.

State Millers Mutual Fire Insurance Company, Marion, Ohio.

The State Millers Mutual Fire has been organized at Marion, Ohio, with the following-named officers: F. H. Tanner, Mansfield, president; Robert Colton, vice-president; C. B. Jenkins, secretary and general manager; H. M. Allen, treasurer.

Surplus Line Association, Chicago, Ill.

The following-named companies now compose this association: Commercial Union, London; Firemans Fund, San Francisco; German-American, New York; German Alliance, New York; Hartford Fire, Hartford; Liverpool and London and Globe, Liverpool; National Fire, Hartford; Niagara Fire, New York; New York Underwriters Agency, New York; North British and Mercantile, London; Phoenix, London; Phoenix, Hartford; Scottish Union and National, Edinburgh.

Svea Fire and Life Insurance Company, Gothenburg, Sweden.

Statement October 31, 1906 (United States branch): Assets, \$976,758; surplus, \$420,971; San Francisco losses, net, \$830,413; paid in cash, \$710,007; unpaid, \$120,406.

Union Fire Insurance Company, Buffalo, N. Y.

Statement October 31, 1906: Assets, \$114,710; capital, \$200,000; net surplus, \$102,566.

Surplus Lines.

A London Insurance Company of unquestionable standing is open to appoint Agents in New York and (or) Chicago, for the purpose of accepting American surplus (Fire) lines, with preferential arrangements for Sprinklered Risks.

Communications indicating facilities possessed for obtaining the business, giving some idea of the probable premium income which might be expected from it, and a rough schedule of Limits on any one risk, etc., and stating, fully, Agency Terms required, should be addressed to "X", care of Messrs. C. & E. LAYTON,

56 Farringdon Street, London, E. C., England.

THE SPECTATOR:

THE SPECTATOR, established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.

THE SPECTATOR has a larger circulation than any other insurance journal—and carries no "deadhead" subscriptions.

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VOL. LXXVII.

THURSDAY, DEC. 13, 1906.

No. 24.

THE PRESIDENT AND INSURANCE.

WHILE President Roosevelt, in his message to Congress last week, did not refer directly to the subject of insurance, there are in the document one or two paragraphs that have an indirect bearing upon it. Apparently the President has receded somewhat from the advanced position heretofore credited to him, to the effect that all combinations of capital are opposed to public interests, and now concedes that corporations—otherwise combinations—are necessary to the development of commercial and industrial enterprise. He asks, however, for additional legislation that will enable the administration to deal with the abuses that may be discovered in corporate managements or in the combinations, called "trusts," that sometimes overstep the law. Every good citizen will agree that everything that is opposed to the public interests should be proceeded against; and if the present laws are not sufficient to keep individual greed within proper bounds, then new ones should be enacted. That immense fortunes have been built up through the operations of various "trusts" is unquestionably true, but it is a question whether the public has been robbed or defrauded by reason of such individual accumulations. The Standard Oil "trust" is one that has been berated probably more than any other, largely because of the great wealth secured by some of its managers. There is much to be said, however, in defense of the Standard Oil, and the facts will apply equally to the sugar "trust" and some others. A few years ago there were many small oil refiners in different sections of the country, operated by individuals with but limited capital, who were living from hand to mouth, frequently passing into bankruptcy and defrauding their creditors. The "trust" came in and secured control of these small concerns, closed up some of them to reduce expenses, enlarged others, and conducted the business under one management. The result has been that the oil industry has been wonderfully developed, new products have been manufactured from what before was refuse, the character of all oil products has been improved, and oil was never so good nor so cheap as at present. Millions upon millions of dollars have been added to the value to the country of the oil industry, through the enterprising and economical admin-

istration of the Standard Oil "trust." It is not surprising if those who have been thus instrumental in adding so much to the wealth of the nation should have accumulated fortunes for themselves. They took large risks, and are entitled to rich rewards for their labor, their foresight and the courage that has been demanded for the upbuilding of this industry. Where they have made hundreds of dollars, the public has made thousands. The same may be said of the sugar "trust," that has gone through substantially the same course of procedure with corresponding results.

Fire insurance companies have at times sought to combine in various ways for the improvement of their business, for the better protection of the public, and to reduce the cost of insurance to the propertyowners. They have formed various organizations and employed the best obtainable scientific talent, with a view to reducing the expense of conducting the business, thereby rendering it possible to reduce the rate of premium to the insured. But the companies have found themselves the subjects of special legislation in many States, which prohibits them from "combining" for any purpose. What are known as "anti-compact" laws have been enacted in many States, the ostensible purpose of which is to prevent any "combine" from enforcing uniform rates. The State of Arkansas, for instance, has gone so far as to assume extra territorial jurisdiction over the companies, and declares that if a company belongs to any association of underwriters, either within the State or in any other State or country, it shall be prohibited from doing business in Arkansas. Many companies were compelled to withdraw from the State because of this law.

The history of fire insurance in this country shows that the business of fire underwriting is not profitable, and that the companies have had to depend upon the earnings of their investments to pay their losses, meet expenses, and pay stockholders a moderate interest upon the capital they have at risk. It also shows that they have spent hundreds of thousands of dollars, and utilized the ability and intelligence of the best fire underwriters of the age, to induce propertyowners to so reduce the fire hazards of their respective risks that premium rates might be safely reduced. This is the chief end and aim of all the underwriters organizations, and as their work is the work of a combination of companies, the question of uniform rates to be charged alike by all companies upon the risks reported upon, it naturally brings them within the purview of the anti-combination laws. Such insurance combinations come within the class that President Roosevelt deems necessary to the welfare of the country, and should be encouraged rather than persecuted, as they are in some States. So long as property to the extent of \$150,000,000 or more a year is destroyed by fire, and insurance companies are expected to indemnify the losers, premiums must be collected to an amount that will pay these losses and the necessary expense of conducting the business. The companies are not greedy, but will cheerfully reduce rates if propertyowners will follow their advice and take proper precautions to prevent fires. Until this is done, the companies must co-operate to secure better fire protection, and must continue to charge rates commensurate with the risks assumed. To call these underwriters "trusts" opposed to public interests is the very reverse of the truth. There will be much legislation in the

different States this winter relative to insurance, and it would be in the interests of the public if every anti-combination law applicable to fire insurance should be repealed. Competition between companies can be trusted to prevent any overcharge in the matter of premiums.

ON Tuesday next, December 18, the election of trustees for the Mutual and the New York Life will terminate, in accordance with the terms of the law providing for such election. The international policyholders committee has been prosecuting with extreme vigor a campaign of misrepresentation and villification against the present administration of these companies—a campaign that for vindictiveness, falsehood and reckless publicity has never been equaled in insurance affairs—while the officers of the companies have resorted to lawful and dignified methods only to secure the election of the candidates that the law required them to place in nomination. A large number of votes have been filed with the companies, and many proxies, while the committee claims to have a large number of proxies also. The canvass of votes will be commenced immediately after the polls close on Tuesday, under the direction of the Superintendent of Insurance, but it will be some time before the result can be announced. There will be many protests filed against the acceptance of certain votes, and it is certain that the policyholders committee will do everything in its power to defeat the administration. The methods pursued by this committee and the self-evident fact that its managers are working for selfish ends, should be sufficient to cause every policyholder to be disgusted with their action and to give his support to the nominees of the companies, who are intelligent, capable and honest men, whose knowledge of the business is a guarantee that the affairs of the companies will be conducted in the best interests of the policyholders. It is impossible to know how the votes that have been filed stand as to the election, but reports from the outside indicate that the administration tickets will be elected by large majorities.

IN his message to Congress last week, President Roosevelt complimented that body on having passed an employers liability law, applicable to the District of Columbia and the Territories, and also for having provided for a truancy court, to look after truant children. He now suggests further legislation to regulate the conditions of labor of women and children. He says that the employment of young children in factories "is a blot on our civilization." That this is true has been recognized in most of the States, and laws have been enacted covering such employment. Congress, however, legislates for the District of Columbia and the Territories, and it may well follow the example of several of the States in this respect. THE SPECTATOR of November 22 contained a tabulated exhibit of the conditions of the child labor laws of the several States, which will be found of great interest in this connection. The President calls attention to the fact that, "In spite of all precautions exercised by employers, there are unavoidable accidents and even deaths involved in nearly every line of business connected with the mechanical arts. This inevitable sacrifice of life may be reduced to a minimum,

but it cannot be completely eliminated." He suggests that what he terms the "trade risk" should be placed upon employers, and that compensation for accidents to employees should be paid by their employers. Under the liability laws of the various States, employers are held responsible for such accidents in case they have neglected to provide reasonable precautions. If his machinery is inadequate or out of order, or if there is negligence in caring for it, he assumes the risk. But employees are supposed to know the risks attaching to their line of duties; and if they are careless or indifferent regarding them, the employer is allowed to show "contributory negligence" in mitigation of damages. The President would change this, and make the employer pay under any and all circumstances, even though the employee was culpably negligent or reckless. The "trade risk" is one of the factors considered when the rate of wages for employees is fixed, so that the employer is continually paying something on this account. When he has complied with the laws in every particular, put his establishment in approved first-class condition, it would be a hardship to penalize him for the recklessness of his employees. Should the President's suggestion be adopted, the employer would be robbed of his defense of "contributory negligence" or any other, but would have to pay on demand for every accident that might occur in his business. It is scarcely probable that Congress will enact any such law, but if it should it could only apply to the District of Columbia and the Territories. The danger lies in the possibility of some State legislators taking up the suggestion and getting it incorporated in the laws of their respective States.

THE report of the special committee of the board of trustees of the Chamber of Commerce of San Francisco, bearing upon the great conflagration in San Francisco in April last, and particularly having to do with the manner in which the respective insurance companies settled their losses, has been made public. The total area burned over was about three thousand acres, and in the neighborhood of twenty-five thousand buildings, one-half residences, were destroyed. The committee places the fire losses at about \$350,000,000; the insurance involved in the burned district \$235,000,000, and the amount which will finally be found to have been paid by the companies at about eighty per cent of the insurance involved. A comparison is made with the previous great conflagrations, showing that following the Chicago fire in 1871 about fifty per cent of the insurance involved was paid, and at Baltimore, in 1904, about ninety per cent. Details concerning the respective companies are not yet at hand.

THE fire losses in the United States and Canada for November last amounted to \$16,248,350, according to the compilation of The Journal of Commerce and Commercial Bulletin. While this only exceeds by \$70,000 the losses of November, 1905, it is nearly five million dollars in excess of the losses of November, 1904, and far above what might be considered the normal loss for this time of the year. The total loss for the first eleven months of 1906 exceeded \$430,000,000, so that it is probable that the year's losses will be in

the neighborhood of \$450,000,000. These figures are based upon an assumption of \$280,000,000 loss by the San Francisco conflagration in April, but the Chamber of Commerce report, just issued, says:

The value of buildings and contents destroyed in the fire must have been about \$350,000,000, being an estimate upon the insurance liability, the known ratio of insurance to value (about seventy per cent), and a guess that there was about five per cent of property that carried no insurance.

It seems altogether likely, therefore, that the estimate of \$450,000,000 as the probable year's loss is considerably too low, rather than excessive.

THE citizens of Holyoke, Mass., have for a year or two past been advocating the establishment of a municipal insurance bureau for the purpose of carrying fire insurance risks upon property in that city. In view of the fire which last week destroyed property in Holyoke to the value of \$300,000, the advocates of municipal insurance, or at least those which would have had anything at stake had the scheme been put into effect, may well congratulate themselves upon their good fortune in having escaped the practical consequences which would already have followed in the train of their impractical idea. As it turns out, it would have been a good thing for the fire insurance companies to have been relieved of their liability in that town. Perhaps this will be an effective object lesson to those ignorant enthusiasts who consider that the greater portion of fire insurance premiums constitutes profit to the companies.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

At a complimentary dinner recently given at the Café Martin to Louis A. Cerf, metropolitan manager of the Mutual Benefit Life, by Mr. Cerf's agents, on the occasion of his birthday, the statement was made that Mr. Cerf will settle for over \$8,000,000 of paid-for business in his territory this year. The home office was represented by President Frelinghuysen, Vice-President Pratt, Mathematician Rhodes, Medical Director Young and Editor Drew of The Pelican.

The Liberty Life Insurance Company of this city is still in the incubator.

Life fieldmen, outside of New York State, who are desirous of obtaining a contract that will enable them to build up a strong agency with an old-established legal reserve life insurance company, and who are looking for desirable territory and a company with liberal policy forms, should communicate with Marion, care of THE SPECTATOR office.

BOSTON AND VICINITY.

Louis A. Brandeis is still hammering away on savings bank life insurance, and says that he will make a strong fight for it in the legislature, which convenes in January.

Saturday, the 8th inst., marked the twenty-third anniversary of the Massachusetts Mutual Accident Association of Boston.

It is reported, but not confirmed, that Governor Guild will reappoint his special committee on insurance, to confer, in conjunction with the regular joint committee of the legislature, relative to measures submitted for enactment. If this proves true, and it should become a fixed custom, it would mean a permanent State insurance advisory board, which, with the Insurance Commissioner, would exert a strong influence on insurance legislation, and probably result in heading off many "strike" bills which consume so much valuable time.

NOTES FROM PHILADELPHIA.

The annual meeting of the Philadelphia Life will be held January 9, 1907, to hear the report of the board of directors for the fiscal year ending December 31, 1906, and to elect twelve directors.

The firm of Poole & Sartin, which has established headquarters at Richmond, Va., as superintendents of agents for the South Atlantic Life, is composed of Thomas D. Poole and George S. Sartin, who for some time past have been prominently identified with the Fidelity Mutual in this city.

At a meeting of the directors of the new Economic Life, held on Thursday last, the following were elected as the executive staff: President, William W. Ruley; vice-president, William M. Longstreth; secretary, Lewis A. Smith; treasurer, Barton F. Blake; consulting actuary, David Parks Fackler; medical director, Dr. Alfred C. Wood; agency manager, Leon R. Bonta; general counsel, Judge William W. Porter. The following compose the board of directors: Barton F. Blake, James A. Campbell, J. Edward Challenger, John Edmonds, Howard B. French, George H. Grone, William S. Hilles, E. C. Irvin, William M. Longstreth, Alfred S. Mehl, Wm. W. Ruley, Wm. H. Sharp, Franklin L. Sheppard, William C. Supplee and Dr. Alfred C. Wood. This company, with an authorized capital of \$500,000 and a present list of stockholders extending through several States, will commence to issue policies next month.

The General Accident Assurance Corporation has appealed the verdict of \$75,000 recently secured by Muir & Haughton, former managers of the company in this country, for an alleged breach of contract.

The Pennsylvania Mutual Life announces the appointment of Henry E. Davis and B. K. Foclet as agency managers.

The Commonwealth Casualty Company, which recently entered Illinois, Indiana and Rhode Island, is meeting with much success in all these States.

THE MIDDLE STATES.

The John I. D. Bristol Agency.

Attention is directed to the display advertisement on a preceding page, calling for life insurance men of reputation, to engage with one of the largest life insurance companies in the country. Every successful life insurance agency in the country has been benefited more or less by the establishment of a thorough system designed to aid the agents in the prosecution of their work and make their production, to a great degree, regular. This plan has probably been carried to a higher state of perfection in the office of John I. D. Bristol, general agent for the Northwestern Mutual Life at 1 Madison avenue, New York city, than in any other agency. As illustrating the effectiveness of the method it is worth noting that in such a troublous year as this has been, this agency alone in the first ten months of 1906 reported new business amounting to \$13,907,860, and the average policy was \$6102, more than twice the ordinary average. The amount named above represents the personal work of the agency force, for business is not accepted through brokers, no helpers are employed, the men give their entire time to the business without salary or advances and rebating is strictly prohibited. In other words, absolute agency protection is afforded, the commissions go to the man who earns them and there is no interference with the agent's business at any time. The success of the plan through a number of years should cause it to receive favorable consideration at the hands of agents who desire and expect full recompense for their labors. Mr. Bristol can supply that class of men with ample opportunities to display their capabilities and worth.

THE WEST.

Indianapolis Incidents.

[FROM OUR OWN CORRESPONDENT.]

C. H. Luling and John H. Lupton of the Kansas Insurance Department have just completed an examination of the State Life Insurance Company, and they find everything to approve and nothing to condemn.

Walter C. Wright, the independent actuary of Boston, has been helping Governor Hanly to digest a few facts for his forthcoming message to the legislature.

State Auditor Billheimer has issued an ultimatum to the life and fire

companies which have not yet paid their share of the taxes appropriated by ex-Auditor James Rice. If they do not pay by December 11 the State threatens to revoke their licenses. The shortage was originally \$23,230, and but five out of forty-two companies have stood and delivered. The Penn Mutual Life sent a check for \$942.38 this week.

The agents of the Northwestern Mutual have been notified that the company will alter its scale of commissions beginning with January 1 to conform to the provisions of the Armstrong law, thus making a uniform commission throughout the United States.

The Indiana Fraternal Congress met at Indianapolis this week and named a committee to keep an eye on the coming legislature. It is composed as follows: Charles Darling, Indianapolis, chairman; E. E. Schrover and C. W. Bartholomew, Indianapolis, and Gilbert Howells, Crawfordsville, and Will C. Converse, Richmond.

It is the opinion of local insurance agents that the Governor will demand such radical measures of the next legislature that he will fail to secure any practical reforms. It is said that he will make a special fight against the preliminary term method, which is not regarded by the profession as a very serious abuse.

The Indiana National Life Insurance Company has been licensed by the Insurance Department, and has opened its offices for business. The following prominent citizens of Indianapolis are among the incorporators: A. F. Nordyke, D. M. Parry, James E. Killen, J. M. Feasey, Horace F. Wood, Dr. S. C. Woodard, Frank W. Killen, Geo. C. Brooks and George W. Benton.

Indianapolis, Ind., December 10.

AUTOGEST.

—John W. W. Stewart has been appointed general manager of the Monarch Life at its head office in Winnipeg. He comes from the Imperial Life, where he had been for ten years.

—The North American Life has transferred Francis A. Hilton, for many years Western New York manager, to Detroit to manage the company's Michigan business, succeeding John A. McLean, resigned.

—Governor Johnson of Minnesota has reappointed Thomas D. O'Brien Insurance Commissioner. Mr. O'Brien had intended to resign, as he wished to return to his law practice, but the Governor prevailed upon him to stay for two years more in the position he has filled so satisfactorily.

—The Buffalo Life has been licensed in Illinois, and has opened headquarters in Chicago, with Charles H. Lear, formerly with the Metropolitan, as manager. W. S. Hide, formerly with the Equitable of New York, will have charge of the company's Western agencies, with headquarters in Chicago.

—Walter S. Bowen has been appointed general agent for the Oregon Life in its home State, and will assist General Manager Samuel in organizing the field for this progressive new company. Mr. Bowen has had a wide experience in life insurance on the Pacific Coast, and has held several important positions in that field.

—The committee of general agents and managers which was named recently in Chicago to draft a bill designed to lessen rebating is of the general opinion that the present anti-rebate law of Illinois is inadequate, because the receiver of a rebate is not made liable. The law provides a minimum fine of \$500 for the agent who gives the rebate and a like amount for the company. The committee believes that the law should be amended to include the receiver of the rebate.

—Commissioner Host of Wisconsin has expressed himself as being heartily in favor of the proposed change in the method of taxing life companies operating in Wisconsin from a fee on gross receipts to an assessment at the average rate of taxation on surplus funds on policies in the State. Mr. Host believes that life companies should only be taxed what is necessary to maintain efficient State supervision. This year he will turn over to the State \$600,000 after paying the expenses of his Department.

—The Dakota Mutual Life of Watertown, S. D., was chartered on August 30 last as an old line mutual company and received a certificate of authority to commence business on November 1. The officers are John B. Hanten, president; Frank L. Bramble and D. M. Bannister, vice-presidents; Fred. B. Smith, secretary; John W. Martin, treasurer; H. M. Finnerud, medical director. The company writes the usual forms of life and endowment and term policies, also accident insurance separately and in combination with life insurance. It is making a specialty of children's educational policies, and reports having made a very successful start.

—A number of insurance companies are congratulating themselves just now over the capture and conviction of a daring insurance swindler. About a year ago a man calling himself Fred. J. Bailey appeared in some Iowa towns representing himself as an agent of the Columbian National Life, with power to appoint medical examiners for the company. After securing the attention of physicians by this offer he then took their applications for insurance, also for stock in the company, collected various sums and then moved on. No reports were made by him to the company, and when the policies and stock failed to appear complaints poured in on the home office. Efforts were made to locate him through private detective agencies, but without avail until the matter was placed in the hands of Charles P. McCoy, manager of the claim and revision department of the Columbian National. Within two weeks Mr. McCoy lauded

his man, and within another fortnight had procured his conviction, at Davenport, Ia., the sentence being five years at hard labor. Indictments are to be secured against Bailey in other States, so that he has in prospect many terms of imprisonment when the present one expires. Mr. McCoy deserves congratulations upon the efficiency with which he pursued this swindler, especially after the diligent hunt made by other agents. It is said that Bailey also victimized the Mutual of New York, the Security Life and Annuity of Chicago and the Title Guaranty and Surety of Scranton, Pa., while the persons he swindled are located in a large number of States.

THE SOUTH.

South Atlantic Life Insurance Company.

The strongest point brought out in the several investigations of life insurance companies during the past year or more is that relating to expense of management, and the question of conservative economy will hereafter receive more careful consideration. The South Atlantic Life of Richmond, Va., is adhering to this line of action, its present managers believing that a slow, substantial growth is more to be desired than a large business procured at needless expense, and therefore not likely to stick. As an evidence of this, it is able to report that its business this year has cost it but 58½ per cent per thousand of the amount expended last year, a fact which must appear as most satisfactory to the policyholders. In furtherance of the company's policy of extending its operations in productive fields, it has recently appointed several well-recommended men, among them being W. K. Sligh of Newberry, S. C., as general agent for Western South Carolina, and J. W. Dunn, general agent for the central part of South Carolina, with offices at Columbia. Mr. Sligh was formerly with the Aetna, and was at one time interested in educational work in the South, while Mr. Dunn has a good record as a large and steady producer for the Equitable. President Edmund Strudwick is reckoned one of the brainiest business men in the Old Dominion, and his management of the company is ably seconded by S. P. Wiley, vice-president, who is a life insurance man of many years' experience.

—The new insurance firm of Daniel & Stearns, Virginia State managers for the Maryland Life, is composed of the kind of material which will bring abundant success to the company in that field. Robert W. Daniel of Richmond and Charles P. Stearns of Staunton are both well known throughout the State as live and capable life insurance men who can be depended upon to produce results.

—The Southern States Mutual Life of Charleston, W. Va., which is one of the pioneers in the use of the modified preliminary term plan of insurance, is much gratified at the approval of this plan at the session of the "Committee of Fifteen," held at Chicago this month. The Southern States Mutual was authorized to commence business early in May of this year, and in consequence will have less than eight months in which to establish its record for the year 1906. This record will be a gratifying one, and will show a large volume of business written and placed without resort to any stimulating methods. The company will probably enter a half dozen additional States in the early part of 1907. The amount of business applied for in West Virginia will approximate two millions at the end of December.

MISCELLANEOUS LIFE NEWS.

WISCONSIN LIFE INSURANCE INVESTIGATION.

Report of the Commission—Criticisms and Suggestions—Some Commendations—The Expense Question Analyzed—Valuation Standard Increased—New Legislation.

The commission appointed by the Wisconsin Legislature to investigate life insurance conditions in that State has filed its report with Governor James O. Davidson. It is a formidable document, and, after reciting some of the facts disclosed in the examination of particular companies, deals largely with the technical side of the business, its suggestions covering limitations of premiums, expenses, salaries, the election of trustees in mutual companies, standard policy provisions and the utmost publicity. Among the specific recommendations are the following: Limitation of officers' salaries to \$25,000 per annum and the same sum for general agents; equal expense provisions on varying forms of policy; abolishing proxies in elections, and giving each policyholder one vote for every trustee to be elected, without regard to the size of his policy; giving the Governor power to appoint one trustee in each company; prohibiting rebating, and making the recipient equally guilty with the giver.

Only three companies were directly investigated by the commission, the Northwestern Mutual and Wisconsin Life of Wisconsin and the Union Central Life of Ohio. In connection with the Northwestern reference is made to private loans having been given prior to 1904 by officers of the

company on policy contracts, the explanation elicited therefor being that many of the loans were in excess of the surrender value and covered the tontine accumulations. Evidences of discrimination in settling claims were discovered and a number of rebating charges were also investigated and their truth apparently settled to the satisfaction of the committee. Expenses so far as relates to the procuring and holding of business are alleged to be too high, and contrast is made of the salaries paid officers and the amounts received by some general agents as renewal commissions.

The question of expenses for legislation is gone into, it being pointed out that in a particular case the officers of the company were better qualified to present the merits of the matter to the legislature than outside counsel. It is recommended that a specific report be made of all legislative expenditures. The commission incorporates the following statement of the changes and proposed changes in the practice of the Northwestern:

1. The 5 per cent rate of interest fixed in July last for all new policy loans is to be applied to all old policy loans, also to all premium loan notes, regular and special; also to all interest charges on account of premiums in arrears, on all restorations of lapsed policies, correction or errors of age, policy changes and other policy adjustments.

2. The privilege of thirty days' grace for payment of premiums as incorporated in the policy contracts of this company issued on and after August 1, 1900, is to be extended to all existing policies of this company except those issued on the semi-tontine plan.

3. From and after Jan. 1, 1907, the company will annually mail to each semi-tontine policyholder at his last known address and for the date of his policy anniversary, a statement showing:

1. The tontine surplus accumulation credited to the policy at the beginning of the preceding year.

2. The rate of interest allowed on such accumulation.

3. The amount of regular surplus and additional or tontine savings apportioned for the year.

4. The amount of regular surplus credited at date of payment of the current annual premium.

4½. On and after January 1, 1907, the premium rates for policies issued by this company are to be the net premium rates according to the American Table of Mortality and three per cent interest, the net premiums for each plan to be loaded by a suitable percentage thereon uniform for all ages, but varying as desirable for different plans of insurance, such percentage of loading for each plan to be determined by the company.

5. On and after January 1, 1907, the policies of this company shall provide that any premium less dividend shall on default with any other indebtedness if any, against the surrender value of the policyholder and that interest on such loan shall be charged annually at the same rate of interest as for policy loans, and if not paid when due shall in like manner be made a lien against the policy with interest at the same rate, and that the policy should be continued in force for the full amount thereof, less the aggregate of such liens, until the surrender value of the policy shall thereby be exhausted, when the policy shall cease and determine.

6. On and after January 1, 1907, the participating policies of this company shall receive dividends annually as apportioned by the company, beginning in one year from the date of the policy contract, the dividend at the end of the first year to be in lieu of the extra dividends heretofore paid at the end of the fifth year.

7. On and after January 1, 1907, the dividends on all participating policies are to be allowed and paid upon the sole condition that the premium payment for the policy year current shall have been completed and no such dividend shall be forfeited or withheld by reason of non-payment of premium for the year succeeding such current year.

The Wisconsin Life of Madison comes in for considerable criticism, the commission stating:

It has been shown to the satisfaction of the committee among other things, (a) that the expense charges for insurance management are excessive and apportioned unjustly as between different classes of policies; (b) that premiums on most classes of policies are unnecessarily high; (c) that the dividend returns seldom correspond to actual conditions; (d) that discrimination is employed in the apportionment of dividends as between annual and deferred dividend policies and in interest rates on policy loans; (e) that excessive charges have been and are now exacted upon surrender of policies for cash, or for paid-up or extended insurance; (f) that unreasonable forfeitures of the reserve are exacted during the first three years of the policy; (g) that the policies and loan agreements of many companies contain harsh provisions.

While the Union Central Life is not a Wisconsin organization, its officers cheerfully acceded to the requests of the commission for information both oral and written. Its investment department is highly commended, and scarcely anything is said in criticism of the company. The suggestion is made, however, that the legal rights of policyholders and stockholders in the surplus of a stock company be determined and that such companies be debarred from writing business in Wisconsin pending such determination.

Among the general recommendations is one that a company be required to insert a table for each year of the possible history of a policy, showing the amounts set apart for expenses, death claims and reserve. It also recommends that a law be enacted placing the minimum rate of interest at 2½ per cent and the maximum at 4 per cent, specifying that if any mortality table is used other than the American Actuaries or

Select and Ultimate, it shall not for the same age and duration exhibit a lower death rate than the British Offices Select Tables, and that there shall be a maximum expense provision. This expense provision is to be fixed by the company subject to the limitation that the present value of the expense provisions, at any age of issue, for any plans or kinds of insurance, computed according to the table of mortality adopted and rate of interest assumed, should not exceed one-fourth of the net premium upon an ordinary life policy computed according to the American Three Per Cent Table.

Following is a list of bills recommended by the committee:

1. A bill defining the terms used in legislation relating to life insurance.

2. A bill to provide for and regulating the election of directors and trustees of domestic mutual life insurance companies.

3. A bill to provide for the appointment by the Governor of one additional director upon the board of all domestic life insurance companies.

4. A bill to provide for the admission of life insurance companies of other States, and amending section 1948 of the statutes of 1898.

5. A bill prohibiting life insurance companies from writing both participating and non-participating policies in this State.

6. A bill requiring stock companies to ascertain, determine and report to the Commissioner of Insurance the respective rights of policyholders and stockholders in unassigned surplus.

7. A bill to amend the law with respect to the valuation of policies.

8. A bill relating to the form of policies of life insurance and applications therefor and prescribing certain standard provisions.

9. A bill prescribing limitation of the premiums.

10. A bill prescribing limitations of expenses.

11. A bill prescribing limitations of salaries.

12. A bill to prohibit rebating.

13. A bill to prohibit misrepresentations.

14. A bill to provide for an original accounting to classes of deferred dividend policyholders, an annual accounting thereafter, and a report thereof to the commission of insurance.

15. A bill to provide for an annual accounting.

16. A bill repealing chapter 418 of the laws of 1899, chapter 175 of the laws of 1895, and chapter 270 of the laws of 1899.

17. A bill requiring all companies transacting business in this State to furnish policyholders, upon application, a copy of their application for insurance.

18. A bill requiring life insurance companies transacting business in this State to report to the Commissioner of Insurance all disbursements made in opposing or promoting legislation, and to keep an accurate account thereof.

19. A bill to repeal the insurance retaliatory laws.

20. A bill to require annual reports of contributions for campaign purposes.

21. A bill relating to reports to be filed with the Commissioner of Insurance.

LIFE INSURANCE DEVELOPMENTS OF THE WEEK.

The Burnham Trial—Mutual's Suit in London—Progress of Elections.

Continuing the trial of George Burnham, Jr., for alleged larceny of \$7500 from the Mutual Reserve Life, Mr. Burnham testified that whatever he did he was advised to do by E. C. James, who represented the company in a legal capacity and is now dead. The witness also stated that his actions were approved by President Frederick A. Burnham and Vice-President George D. Eldridge who were also indicted. Abraham I. Elkus, partner of E. C. James, has testified that \$1500 which was sent to his firm was not for legal services as represented on the books of the company, but was turned over to George E. Joseph, counsel for J. Douglas Wells, one of the men who was suing the company. Joseph was pushing the claims of Wells and others and Mr. Eldridge had told the witness that Joseph was in business to harass the company and the only thing to do was to settle with him. One of the claims was of one Armstrong, and Mr. Burnham said that if it was valid it was worth \$400,000. Witness denied that he had at any time while talking to Joseph mentioned settling the Wells suits. When Wells left the company he put in a claim for \$15,000, which the company refused to pay. In the agreement to pay Joseph \$13,500 for his clients, Wells was not mentioned by the company, but Joseph had entered his name "for a little present." Speaking of the advisability of stopping the libel actions brought by the company against Wells and J. Thompson Patterson, E. C. James favored stopping the suits and is quoted as saying: "If you have got these two vipers together so that you can cut them off with one blow, why do so." Mr. Burnham's testimony is generally a denial of the story told by Joseph as to the negotiations in the Wells and other suits.

Mr. George Burnham, Jr., was again on the stand on Thursday of last week. The prosecution claims that A. F. Burnham told J. Douglas Wells that he needed money because he had to pay \$40,000 to Lou Payn, former Insurance Commissioner of New York. Assistant District-Attorney Knott again tried to introduce this subject in a question, which William Rand, Jr., counsel for Burnham, objected to. Mr. Knott contended that if George Burnham knew anything about it he should be allowed to

testify, as it might have some bearing on the prosecution's charge that Wells loaned \$5575 to Burnham. Mr. Rand held that what F. A. Burnham borrowed from Wells had nothing to do with the charge that George Burnham took \$7500 of the company's money. Justice Greenbaum said he would decide later on whether he would admit the testimony.

Mr. Burnham seemed to have some trouble explaining the company's system of warrants for monetary outlays. In one case a warrant for a check for \$5000 was entered as having been paid to James, Schell & Elkus, for legal expenses, when really, Burnham said, the check went to Baldwin & White, lawyers. Another warrant showed a check for \$1500 paid to James, Schell & Elkus, but the money went to Black, Olcott, Gruber & Bonyng. Burnham said that these were fair samples of the honesty and fairness of the company's warrants.

Witness was asked if he had appeared as counsel for his brother in the suit brought against Wells, and he said he had not.

When asked if he had refused to answer that question before the grand jury, witness said he had on advice of counsel because he saw Mr. Kresel, one of Mr. Jerome's assistants there, and felt that he had no right there because he was only a deputy assistant district attorney, it being understood that only a statutory assistant district attorney has right to go before a grand jury. When Mr. Burnham was before the Grand Jury in February, Mr. Kresel was a full assistant. Burnham admitted that he could not have gotten a release in the Wells suit against his brother unless \$1500 was paid. He got nothing for settling his brother's suit. He said that in 1903 his salary was \$50 a week as vice-president, but in that year he got \$17,500 for bills rendered, the company settling a large number of suits.

The following day, Friday, District Attorney Knott brought up the question of payment of the \$40,000 on which Justice Greenbaum had reserved decision the night before. Witness was asked if he had taken any part with his brother in the payment of money to Lou Payn in 1898, and the question was sustained by the court. Mr. Burnham said that he had not, and denied that his brother had told him that Payn had demanded \$100,000, or that anything was said to him about the payment of \$40,000 to Payn. He knew nothing about his brother paying \$6000 to Horace Brockway to reimburse him for the \$40,000 that Assistant District Attorney Knott said had been paid to Payn.

Witness was then asked about George B. Patterson, who was a clerk for the Exempt Firemen's Benevolent Fund in 1896, and was a client of Burnham. Through questioning and the papers that were produced, it was brought out that the charge that Payn got \$40,000 from the Mutual Reserve was based on the following:

In 1896 the exempt firemen had some legislation at Albany, which the regular firemen were fighting, and it was necessary that the exempt firemen should do some lobbying. At that time Lou Payn was not Superintendent of Insurance. Mr. Knott produced a typewritten paper dated March 26, 1898, which was a receipt from Burnham for two checks from Patterson. The receipt mentioned two checks, which Burnham said he would not let out of his possession, which he would guard zealously and which he bound himself to return intact. Then Mr. Knott produced a photograph copy of a check. It was a copy of a check for \$10,000, signed by Timothy Donovan, treasurer of the exempt firemen's fund, and made payable to James Y. Watkins. It was indorsed by Watkins to B. Charles, and W. W. Bulkley, counsel for the firemen, for legal services. They had indorsed it to Lou Payn, and it bore this indorsement by Payn: "Pay only to the credit of the United States Express Company."

Burnham said he had seen the checks, that he thought one of them had Payn's indorsement and that the checks had been photographed. Patterson having so requested, and that to the best of his knowledge, he, Burnham, had returned the checks to Patterson. There was a strong intimation that the checks had never been returned. Mr. Knott was evidently trying to establish the point that Burnham had learned of the existence of the Payn check through Patterson, from whom Burnham got it for the purpose of showing it to Payn, who was then Superintendent of Insurance, while the Mutual Reserve was at the same time in more or less trouble. The contention of the prosecution was that Burnham showed the check to Payn and got him to reduce his demand for money from \$100,000 to \$40,000. Witness denied repeatedly that such was the case and said that he showed the checks to his brother solely as a matter of curiosity. He did not explain why he got the checks and why they were kept in a steel vault and other precautions taken regarding them. Patterson is now dead.

Mr. Burnham was followed on the stand by George D. Eldridge, vice-president of the company. He became somewhat confused in his answers, but corroborated much of the Burnham testimony. He said that Wells came to him with a list of claims for expenditures amounting to \$15,000. Wells told Burnham that he had paid \$5575 to his brother, F. A. Burnham, in cash, and wanted to be reimbursed, and if the money was not forthcoming he would sue F. A. Burnham. Eldridge said he knew nothing about the payment of \$6000 to Brockway. He was asked about a letter he had written to Judge Foster in general sessions for the dis-

missal of the indictment for criminal libel against J. Thompson Patterson, which had been obtained by Eldridge and F. A. Burnham. Eldridge wrote that he knew of no pecuniary interest of the company in securing the dismissal of the indictment. Before, he had said that the libel action was brought on behalf of the company and that Patterson was paid by the company \$5000 for discontinuing a suit he had against Burnham and Eldridge. Things then got badly mixed up and Eldridge explained that he had simply followed a form used in the district attorney's office, and which was handed to him by James Gordon Lindsay. Mr. Lindsay is dead and he is the third dead man who has been brought into the case. Mr. Knott said he was ready to swear that no such form had ever been used in the district attorney's office.

The case was given to the jury on Tuesday. A verdict of guilty was rendered and Mr. Burnham spent the night in the Tombs. Undoubtedly there will be an appeal from the verdict.

The German Imperial Bureau of Insurance has barred from that country the "official" ballot of the Mutual Life. This ballot is what has been known as the "Peabody Single-Shot Ballot," which was strongly objected to in this country, but against which no action was taken by the New York Insurance Department. The ballot has only the names of the administration candidates, but bears no title to distinguish it as the ticket of the administration.

Henry Rogers Winthrop will tender his resignation as treasurer of the Equitable Life at the meeting of the board of directors to be held on December 20, and has entered the brokerage firm of J. F. Harris & Co. of Chicago and New York, hereafter to be known as Harris, Winthrop & Co.

The trial of the suit of the Mutual Life of New York against D. C. Haldeman, formerly its manager in London, and the North British and Mercantile Insurance Company for an injunction and damages was begun last week in the chancery division of the high court. Plaintiff alleges that while Haldeman was in the Mutual's employ he entered into communication with the North British Company for the transfer to it of the Mutual's English policyholders. Plaintiff's counsel is reported to have shown that Haldeman removed policyholders lists from the office of the Mutual on December 23, 1905, and they were not returned until May 26, 1906.

The Attorney-General of Tennessee in an opinion given last week, holds that the Insurance Commissioner has no specific authority to revoke the license of an insurance company because its agency force is engaged in furthering the interests of any particular ticket for the election of a board of directors. The Insurance Commissioner and the Governor had requested an opinion from the Attorney-General covering this point.

The International Policyholders Committee is much wrought up over the ruling of Otto Kelsey, State Superintendent of Insurance, that holders of proxies in the present election of trustees in the New York Life and Mutual Life shall not be required to vote in person.

Insurance Commissioner Folk of Tennessee sent the following telegram to the Mutual Life on December 9.

Facts were developed in the investigation before me that contracts were made at your Nashville office for salaries and expenses with agents to solicit votes in the pending election of trustees, and that the various sums, aggregating several thousand dollars, had been paid these agents, these amounts not appearing on the company's books, but being carried as cash items. Your supervisor of agencies, W. H. Wooten, stated that these expenditures were unauthorized and would be replaced. Your manager at Nashville, T. C. Hindman, states the expenditures were authorized by Wooten.

Facts also developed that the tickets containing only the names of administration candidates were sent to agents with large supplies of stamped envelopes, the stamps being paid for out of the company's funds. It is the ruling of this department that these being diversions of the company's funds, the same must be repaid, and that within ten days from this date satisfactory evidence must be presented that these amounts and others of similar character, if there be any, have been or will be restored to the company.

To the New York Life the Commissioner wired as follows:

Vice-President Perkins stated in the investigation before me that the cost of 800,000 extra ballots printed by the company and marked by agents for the administration ticket would be refunded to the company. It is the ruling of this department that within ten days from this date satisfactory evidence must be furnished that this has been done.

The argument on the criminal charge against George W. Perkins, as vice-president of the New York Life, in connection with the payment of \$48,500 to the Republican National Committee in the campaign of 1904, was begun before the Court of Appeals on Monday. The prosecution will contend that Perkins was an accessory before the fact to what would generally be called an embezzlement of the funds of the New York Life Insurance Company. The penal code calls an accessory before the fact a principal, and calls embezzlement larceny.

The managers of the International Policyholders Committee continue

to charge that ballots of policyholders are being forged in large numbers, this being made possible by the action of the companies in placing the number of the policy upon the ballot.

"Insurance"—Revised Edition.

About three years ago T. E. Young, B. A., F. R. A. S. caused to be published a general work on the subject of insurance, which immediately took its place as a standard work upon the subject and was adopted as a text-book by Yale University in connection with its insurance course. Mr. Young, as an ex-president of the world-famed Institute of Actuaries of Great Britain, and as an honored member of the actuarial societies of Belgium, France and America, necessarily occupies a leading position in his profession, giving great weight to his utterances. Added to this is an attractive style of writing, which renders any work from his pen extremely readable, divested as it is of all suspicion of dryness. The welcome accorded the first edition has encouraged the author to make such revisions as have been suggested by friendly criticism and to elaborate it in certain important particulars for a second edition.

In this connection the author says that he has attempted to remove obscurities, has furnished fresh explanations and has incorporated many important additions so that the work may fulfill more adequately its purpose as an efficient and practical elementary treatise. Particular reference is made to the introduction of the author's own views upon the principles which should regulate the limitation of risks, the previous edition treating this question from the theories advanced by Dr. Sprague. In another chapter a simple explanation is furnished of the force of mortality, with an illustration of the conception of the "infinitely small" to certain assurance functions. The chapters upon marine and accident insurance have been thoroughly revised, expanded and brought up to date, so that nothing is lacking so far as modern practice is concerned, while various additional and interesting tables have been inserted throughout the volume.

Copies of this second edition can be supplied through The Spectator Company at \$2.50 per copy.

While the improvements in the second edition have been numerous, the value of the first edition of "Insurance," as a complete work upon the subject, has not been impaired. As the new edition comes out, the publishers still have on hand a supply of the old edition for sale. Therefore, those insurance men desirous of adding this valuable treatise on the business of insurance to their stock of insurance literature can obtain copies of the first edition for a short time at the reduced price of \$2 per copy.

Mr. Young is also a joint author of another valuable work for insurance companies, bearing the title "Insurance Office Organization, Management and Accounts," in the compilation of which he was assisted by Richard Masters, A. C. A. This work has won cordial recognition at the hand of company managers for its completeness of detail, and is an essential to every enterprising manager. It contains 145 pages, is bound in cloth and sells at \$1.50 per copy.

Orders for any or all of the above works will be filled through The Spectator Company, 135 William street, New York, sole selling agents for the insurance world.

—The name of the Endowment Rank of the Knights of Pythias has been changed to the Supreme Lodge, Knights of Pythias, Insurance Department.

—S. R. Tarr, of the home office staff of the Canada Life, has been selected as editor of The Chronicle, the well-known insurance and financial weekly of Montreal.

—A capable agency manager is desired by a legal reserve company, either upon a commission basis or a fixed salary. Those interested should read and answer the advertisement appearing elsewhere in this paper.

—The office of vice-president of the Canada Life, which was made vacant last April, was filled last month by the election of E. W. Cox, who has been with the company for many years, and was appointed general manager four years ago.

—In another column there appears an advertisement calling for an agency manager for a well-known life insurance company with headquarters in a large city. An exceptional opportunity is hereby afforded a first-class agency manager, either upon commission basis or at a fixed salary.

—"Fire Tests with Fire Extinguishers" is the title borne by Red Book No. 115 of the British Fire Prevention Committee. It describes and illustrates tests of "dry powder extinguishers" submitted for test by "Kyl-Fyre" Company, Eastbourne. Complete details of the tests are presented. Red Book No. 115 may be procured through The Spectator Company, 135 William street, New York, at \$1.25 per copy.

INDUSTRIAL INSURANCE

Good Collection Records.

Agent G. I. Moreland, of the Life Insurance Company of Virginia, at Newport News, recently made a very enviable weekly record for high collections by securing 230 per cent on his debit. This is just the time when high collections are necessary, and the agent who does not get in his fine work before the Christmas spirit takes possession of the funds will have hard hoeing after January 1 to catch up. Other districts are making good records for collections in the week ending November 26. Shreveport attained 107.0 per cent; Baton Rouge, 104.2 per cent; Lake Charles, 101 per cent; Roanoke, 111 per cent; Spartanburg, 107 per cent; Danville and Lynchburg, each 105 per cent; Radford, 139 per cent; Spray, 117 per cent; Burlington, 109 per cent; Darlington, 259 per cent.

Cultivating Old Business.

Edgar Woods, for a long time one of the largest producers of life insurance in the country, said recently:

Do we notice when our policyholders have additional children, congratulating them either personally or by letter, and suggesting suitable provision for the new child, which the father upon such an occasion is generally very willing to consider? Many parents make it a rule to increase their insurance with every increase in their family.

Do we see that the growing children of our policyholders, as they become assurable or go into business, are assured, utilizing with the parents the experience which we have gained, often at considerable expense, and by which they can profit?

Do we systematically call upon our policyholders and make every effort to cement our hold upon them? Do we feel that it is generally our fault if we lose the influence of a customer once secured, just as an attorney or a physician expects not only to hold, but extend his practice by keeping clients and patients already secured?

Prudential Leaders.

For the week of November 26 the Prudential's superintendency leaders in industrial for 1906 are: L. F. Miller, Allentown; J. Reid, Milwaukee 1; J. Pauer, McKeesport; G. J. Wink, Wilmington; P. H. Showalter, Denver. Assistancy leaders: P. M. Russell, New Albany; C. P. Wurster, Charleston; B. R. Cosby, Joplin; S. P. Miller, Joplin; O. G. Gooden, Wilmington. Superintendency leaders in ordinary: Z. T. Miller, New York 8; M. J. Leonard, New Haven; L. F. Miller, Allentown; J. T. McKenna, New York 3; D. Reinharz, West Hoboken. Assistancy leaders in ordinary: M. Phillips, New Haven; E. C. Foppert, West Hoboken; O. M. Frank, Boston 4; A. H. Hinzpeter, St. Louis 1; G. Schilmoller, Hamilton.

Making Their Allotments.

A number of districts of the Colonial have been doing excellent work in filling their allotments. From July 2 to November 26 the following districts show the percentages of increase to allotment given below: Reading, James O'Donovan, 179.7; Williamsburgh, Louis Janson, 167.2; Hoboken, T. A. Sheers, 132.6; Trenton, L. P. Welsh, 128.1; Bronx, P. Moehring, 124.3; New York, J. H. Christopher, 121.8; Philadelphia, G. J. Buechler, 102.6; Camden, J. T. Evans, 102.5; Paterson, P. J. Lee, 101.1.

\$11,000,000 a Week.

There is no let up in the gait set by the Prudential men some time ago. During the week of November 19 the staff wrote this amount of ordinary: Twelve industrial divisions, \$8,047,215; three ordinary divisions, \$2,803,813, a total of \$10,851,028.

Industrial Notes.

—The Colonial has appointed William P. Geisiger, Norristown, and D. P. Stowell, Easton, to assistancies.

—The Life Insurance Company of Virginia reports the following changes and promotions: W. F. Doyle, appointed assistant in Washington, D. C., succeeding Assistant H. N. Lindsley, resigned.

—In celebration of the completion of his twentieth year of service with the company, Superintendent Henry J. Schubert of the Prudential at Scranton gave his staff a dinner last month, and the entire force enjoyed an evening which will not soon be forgotten.

—The Prudential has recently advanced the following men to the rank of assistant: R. Keown, Brooklyn 3; J. A. Knowles, Brooklyn 5;

J. Steiger, Philadelphia 4; W. J. Kerr, Buffalo 1; L. F. Florentine, Chicago 2; J. Fischer, Chicago 6; A. Samuel, Chester; C. M. Hodgin, Cedar Rapids.

—The contest in the Prudential ranks between the Philadelphia, Brooklyn and New York staffs is naturally being watched with keen interest. Up to the present time this three-cornered battle on joint proportionate results for the remainder of the year 1906 stands as follows: New York, Brooklyn, Philadelphia.

—Superintendent S. Gardiner of the Prudential at Jamestown has resigned on account of poor health, and Superintendent W. S. Hazzard of Ithaca has been transferred to Jamestown. The new superintendent in Ithaca is William S. Barnes, who entered the service of the company as an agent in the Newburgh district in 1899.

—The agents of the Life Insurance Company of Virginia at Winston are determined not to lose a moment in these busy closing weeks of the year. On Thanksgiving Day each agent got out and hustled as usual, with the result that they all wrote some business on a day when most agents were thankful for an excuse not to work.

—L. P. Welsh, the Colonial's successful manager at Trenton, recently took a turn at collecting just to show what can be done in this line. Three weeks he personally inspected a debit of nearly \$70 which had always carried a net balance of \$25 to \$50. When he began the inspection the net balance was \$27.59. Mr. Welsh succeeded in changing it to net advance payments of \$108.17.

—The New Orleans No. 3 district of the Life Insurance Company of Virginia has just closed a week which gives this district more assistants and agents on the honor roll than any other district. She has Richmond beaten, and has beaten the whole field in increase for the year, being \$6 ahead of Richmond, \$11 ahead of New Orleans No. 2, and \$27 ahead of Atlanta. Last year Atlanta and Richmond had an easy time beating New Orleans No. 3, but this year things have taken a very different turn.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The affairs of the Exchange and the report of the joint committee on economies are slowly coming to a head. It was expected that the meeting of the Exchange yesterday would receive a report from the committee which would lead up to changes in the interest of economy generally desired. The acquiescence of Manager Hess in the plans has been assured, but not until a sub-committee labored with him the best part of two days. He is not yet willing to accept the office of superintendent of surveys as successor to William A. Anderson, but has promised to consider it an open question for further decision. The members of the joint committee one week ago were inclined to believe the companies would lose the services of the manager. He told them, it is said, very emphatically, that he intended to give notice of his resignation, to take effect at the end of six months, in accordance with his contract with the Exchange, that body being required also to give him six months' notice. This knowledge spread around with great rapidity among the companies, and it is within the bounds of truth to say everybody regretted it. There were several causes of friction between the manager and the committee, but, with the exception of a demand that the manager should assume the office of superintendent of surveys, all differences have been harmonized. If the Exchange endorsed the action of the committee yesterday, a new season of peace and good will will be established in the Exchange.

It is given out by the close friends of Mr. Hess that he has been annoyed and pestered by the newspaper flings at the conduct of his office and the expense of the Exchange. Apparently the joint committee will come in for a share of the flings hereafter, as it has already been printed that the sub-committee which settled the new deal with the manager was controlled by him. No wonder President Evans of the Continental resented this charge in a communication over his own signature. To those who know him, President Evans is about the last man anybody would charge with being controlled by any one.

The committee on losses and adjustment put out last week what they called the most disappointing result of salvage operations which has come under their operation since the committee was first elected. The

loss was that of Amberg, Brill & Ullman, 27 and 29 West Fourth street, by fire of August 24. It was estimated at fifty per cent and settled at eighty per cent. The Gans Salvage Company offered fifty per cent for the work, or to handle the sale so as to guarantee forty-five per cent salvage. The salvage was turned over to the Underwriters Salvage Company, with the result first stated. It is explained that the goods were wet beyond expectation, and that the fire crept through an unknown crevice in the wall, which increased the loss.

Under the new scheme agreed upon by the joint committee on economies, it is proposed to introduce a finance committee into the Exchange to devise modes of revenue, its collection and to supervise its disbursements after the manner of the Board's finance committee, of which it is said this committee has power to veto the Board itself. It will make a mighty change in the management of the Exchange finances if it is carried out.

The fire alarm bells have been ringing quite lively lately, and the underwriters are on the anxious seat lest a good big conflagration loss shall round out an otherwise prosperous year in this city. Yet there are so many safeguards against a serious fire, that they have cause to put away all fears and congratulate themselves upon the general situation.

All through the controversy over the future of the Exchange in the event that Manager Hess left it, there has been an undercurrent of anxiety over the coming session of the New York Legislature and the probability of hostile legislation in the form of an anti-compact measure. The most interested are the large companies, whose present income from city business would be split in twain if the Exchange is overturned. Such a prospect for those companies which suffered so seriously in the San Francisco fire would be a calamity.

The rate on the new Altman risk on Fifth avenue has been promulgated and is a trifle higher than anticipated. The sprinkler equipment, although of high grade, only carries a credit of thirty-seven and one-half per cent.

The American Exchange Underwriters—an inter-insurance scheme for insuring sprinklered risks only—is now writing \$75,000 upon the risks of its subscribers.

F. H. Ross & Son have been appointed Metropolitan district agents of the Teutonia of New Orleans from January 1.

At a recent meeting of the National Board of Fire Underwriters, the Southern of New Orleans and the Guardian Fire of Pittsburg were elected members of the board.

Charles F. Minnitt of Auckland, N. Z., is in New York, staying at the Waldorf-Astoria. Mr. Minnitt is foreign inspector for the New Zealand Insurance Company, and his field comprises the entire world. He has been in San Francisco adjusting the company's conflagration losses, and is now making a tour of the United States and Canada.

CHICAGO AND THE WEST.

Notwithstanding the strenuous opposition of fire insurance men of Chicago to the operation of the double platoon system in Chicago, the system is to be extended all over Chicago, if Mayor Dunne has his way. The fire insurance men who have been watching the working of the system in the first battalion, where it is now in force, condemn it with one accord, and declare that if it is continued, much less extended, they will be forced to increase premium rates in self defense.

Fire underwriters and the manufacturers and dealers in fixed ammunition have held conferences recently and also tests at the underwriters laboratories as the basis of what probably will be an entirely satisfactory agreement between them on the question of protection and insurance charges. If the stock is kept by itself in a place where it is protected by wire lath and plaster, or even a properly protected wire mesh, the present charges will be done away with. It is even likely that in cases where the stock is not thus protected the existing charges will be modified, the said charges being based on quantity, while it is generally conceded that a small stock is practically as hazardous as a large one. While the recommendation of the con-

vention of fire insurance chiefs was that fixed ammunition be stored in special magazines, outside the building, it was shown that frequently this was inconvenient.

BOSTON AND VICINITY.

The executive committee of the New England Insurance Exchange has submitted a recommendation that the constitution be changed so as to allow two members of the executive committee and one vice-president to be elected biennially instead of annually, as at present. The object of this recommendation is to facilitate the handling of business that holds over from one administration to another.

At the next meeting of the Insurance Library Association, J. K. Freitag of the Hecla Iron Company, Boston, will give an address on "Fireproof Construction."

John H. Derby, late inspector with the Underwriters Bureau of New England, is now at the head of the special hazard department, in the West, of the Phoenix of Hartford, having headquarters in Cincinnati.

The city of Lawrence, Mass., has so improved its fire protection facilities that the New England Insurance Exchange has rescinded fifteen of the twenty cents advance recently made.

The recent severe weather off the New England coast has borne rather heavily upon the local marine underwriters.

A number of Boston lumber dealers are withdrawing their insurance from regular fire companies and placing them with the lumber mutuals.

By the explosion of a boiler in the four-story factory building of P. J. Harney & Co., Lynn, Mass., Thursday morning, December 6, fourteen buildings were destroyed by fire. The total losses will be about \$520,000, covered by, approximately, \$365,000 of insurance. This will probably produce a renewal of efforts to have more stringent boiler inspection, and the incoming legislature will be called upon to consider several bills relating thereto.

NOTES FROM PHILADELPHIA.

Fred. G. Clark of Williamsport, Pa., succeeds the late Charles N. Grover as special agent of the Mechanics Insurance Company of Philadelphia for Pennsylvania, New Jersey and Rhode Island. He was formerly special agent for the National Union Fire.

The National Union Fire of Pittsburg resumed the writing of business in California on December 1.

As of December 1, 1906, previous advances in rates in most of the field of the Underwriters Association of the Middle Department are amended by new circulars, citing lists of classes to which advances of fifty and twenty-five per cent hereafter apply. Like under the recent circular of the Philadelphia Suburban Underwriters Association the advances only apply now to classes known to be very unprofitable or doubtful as to profits in net results. The Middle Department also prohibits pro rata cancellations or rebates to take advantage of reduction in rates.

S. D. Hawley & Son have been appointed sole agents of the Hawkeye Fire for Philadelphia and vicinity.

R. P. Lentz, former special agent of the German of Freeport for this State, has been appointed to represent the London and Lancashire and the Orient in the same capacity and field.

Saturday next, the 15th, is the last day upon which stockholders of the Alliance Insurance Company of this city can make payment of the assessment of \$15 recently called to restore the capital and surplus of the company, which were considerably reduced as a result of the San Francisco conflagration. Of the call of \$15 per share, \$10.86 was required to meet losses and \$4.14 went to surplus. The stockholders who responded to the call will receive scrip certificates for \$4.14, which bear interest at 6 per cent per annum.

An important decision to insurance interests was handed down by

Judge Buffington of the United States Appellate Court last week, in affirming judgment in the case of the Meily Company vs. the London and Lancashire Insurance Company. On the evidence submitted in the lower court, the jury returned a verdict in favor of the insurance company, and this is now affirmed by Judge Buffington.

Harold A. Lyle has been appointed second agent of the Birmingham Fire of Pittsburg.

Robert M. Coyle, the prominent broker and agent who has been ill so long, is so far recovered that he expects to take up his regular duties at his office again this week.

THE MIDDLE STATES.

—The Hudson River Fire is being promoted in New York by Frank G. Noble. The capital proposed is \$200,000, and the surplus \$100,000.

—Seeler & Herkness is the title of a new firm at Philadelphia, composed of H. L. Seeler and B. L. Herkness, which will transact a general insurance business. The firm represents the Allemannia of Pittsburg.

THE WEST.

Ohio Observations.

[FROM OUR OWN CORRESPONDENT.]

No inspection meeting of the Ohio Fire Prevention Association will be held this month, owing to the fact that field men will be busy closing up the year's work, and would not be able to give the time. On opening the work for 1907, the intention of the officers is to introduce several new features that they feel will be of value to the companies as well as the field men. One of these will be as complete reports as possible on blocks, as well as individual risks, with some suggestions as to the lines desirable for companies to carry. The physical features of the buildings will be given attention and altogether more complete reports made.

C. B. Jenkins of Marion is working hard to get the new Millers Mutual Fire into shape for operation the first of the year. The greater part of the required amount of insurance has been secured and it is probable that this will be completed within a short time.

Fire Chief Wallace of Cleveland has recommended the establishment of four new engine companies in his city in conformity with the report of the engineers of the National Board of Fire Underwriters.

Cleveland, December 8.

O. M. C.

—The Royal Exchange is about to enter Kansas.

—J. H. Marshutz of Milwaukee has been appointed receiver of the German of Freeport for the Wisconsin assets.

—The Dubuque Fire and Marine has transferred its St. Louis office from E. M. Davis to J. E. Lawton & Son.

—It is understood that interests which were behind the German of Freeport contemplate the creation of a new company in 1907.

—The Royal has planted another agency at Cincinnati with the firm of Magley & Mayor, who represented the German of Freeport prior to its reinsurance.

—P. O. Vandeventer, formerly Southern Illinois special agent of the German of Freeport, has been appointed Illinois special agent of the Prussian National.

—George R. Webb, Kansas special agent of the New York Underwriters Agency, has been appointed special agent of the Royal Exchange for Missouri and Texas, with headquarters at Kansas City.

—The Indiana League of Fire Underwriters has appointed the following named officers: Fred. S. Penfield, president; Jesse O. Gable, Percy W. Greene, vice-presidents; George H. Rehm, secretary and treasurer.

—S. H. Wolfe of New York has charge of the examinations of the Milwaukee Fire, Concordia Fire and Northwestern National Fire, all of Milwaukee. These examinations are being conducted for the Wisconsin Department.

—Superintendent of Insurance Vrendenburgh of Illinois recently received an opinion from Attorney-General Hamill, in which the latter says that there is no legal objection to the reinsurance of the German of Freeport in the Royal.

—The Dubuque Fire and Marine, which reinsured the German National of Chicago, is not paying for any cancellations until the schedule of business taken over, as provided by the contract, is furnished by the receiver. The time limit for the completion of the schedule is December 27.

THE SOUTH.

Gross R. Scruggs Gets the National Union Fire.

The National Union Fire Insurance Company of Pittsburg, Pa., will on January 1 terminate its general agency contract with Smith & Cochran of Dallas, Tex. It is the company's purpose to create a Southwestern department, comprising the States of Texas, Oklahoma, Arkansas and Louisiana, with headquarters at Dallas, Tex. Gross R. Scruggs of Dallas will be manager.

The National Union Fire had on January 1 last, \$750,000 of capital and a net surplus of about \$300,000. It met with heavy losses at San Francisco, and in order to cover same and add to the company's financial strength, its stockholders recently paid in \$1,050,000 to surplus account. The company has established an enviable reputation, and should be a welcome addition to any agency.

- The Royal Exchange has decided to enter Georgia.
- Samuel Cross, secretary of the National Union of Washington, D. C., died recently in that city, aged seventy-three years.
- A license has been granted the United Fire of Kittrell, N. C. This is a negro institution, and J. H. Thorpe and J. R. Hawkins are among the incorporators.
- Judge Meek, sitting in the Federal District Court of Dallas, Tex., recently issued an order in the case of the Chicago Title and Trust Company, receiver of the German of Freeport and the German National of Chicago vs. M. A. Shumard of New Orleans, appointing Alexander S. Coke as receiver of the assets and properties held by M. A. Shumard as general agent of the above-named companies.

MISCELLANEOUS FIRE NEWS.

Surplus Funds and San Francisco Losses of Fire Companies.

Below will be found brief extracts from the statements of some of the principal fire insurance companies, as of October 31, 1906, showing their surplus funds November 1, as compared with January 1; also data concerning their San Francisco losses. The surplus funds of foreign companies are those of their United States branches:

NAME AND LOCATION OF COMPANY.	SURPLUS TO POLICYHOLDERS.		SAN FRANCISCO CONFLAGRATION LOSSES.		
	January 1, 1906.	November 1, 1906.	Net Losses Incurred.	Paid in Cash Nov. 1, '06.	Unpaid November 1, 1906.
Aachen & Munich, Aix la Chap.	\$628,455	\$166,441	\$1,691,429	\$1,155,431	\$501,915
Etna, Hartford	11,036,011	8,360,641	2,918,990	2,716,867	202,123
Agricultural, Watertown	1,357,262	887,195	869,470	760,551	108,919
Albany, Albany	502,393	542,239			
Alliance, London	581,936		1,911,459	903,873	\$1,007,586
American Central, St. Louis	2,431,518	\$1,173,154	1,610,403	1,585,938	24,865
American, Newark	3,030,459	2,103,927			
Assurance Company of America	623,504	306,177	409,750	193,696	207,054
Atlas, London	801,637	615,062	1,729,518	1,558,878	161,640
British America, Toronto	496,407	420,871	718,539	502,242	216,297
British-American, New York	318,722	231,428	158,461	119,265	39,196
Buffalo Commercial, Buffalo, N.Y.	332,523	332,264			
Buffalo German, Buffalo, N. Y.	1,834,628	1,682,144	259,022	220,529	38,493
Caledonian-American, N. Y.	291,778	221,579	76,956	53,357	23,599
Caledonian, Edinburgh	667,260	280,820	2,392,719	1,656,717	736,002
Camden Fire, Camden	916,340	617,481			
City of New York	495,602	464,001			
Cologne Reinsurance, Cologne	458,960	434,683	\$58,000	743,000	115,000
Colonial Assurance, New York	330,255	328,530	19,342	12,367	6,975
Commerce, Albany	349,212	381,325			
Commercial Union Fire, N. Y.	330,124	271,683	111,893	45,890	66,003
Commercial Union, London	1,570,994	2,010,840	1,936,005	1,063,228	872,777
Commonwealth, New York	1,004,977	1,056,291	13,160	13,160	
Connecticut, Hartford	2,693,973	1,908,157	2,452,111	2,284,627	167,484
Continental, New York	9,424,225	8,626,412	1,749,871	1,749,871	
County Fire, Philadelphia	624,254	634,930			
Delaware, Philadelphia	896,368		585,699	525,699	60,000
Dutchess, Poughkeepsie	375,519	\$98,068	\$433,628	255,510	178,118
Eagle Fire, New York	676,072	393,302	497,602	340,413	157,189
Empire City Fire, New York	288,345	288,969	67,499	48,246	19,253
Equitable F. and M., Providence	638,591	426,220	264,750	264,750	
Federal, Jersey City	1,356,185	687,229	483,669		
Fidelity, New York		2,141,579			
German Alliance, New York	1,029,132	871,015	256,537	243,000	13,537
German-American, New York	7,942,675	6,646,204	2,297,830	2,184,998	112,832
German, Freeport	2,152,065	224,669	2,874,014	1,048,118	1,825,896
Germania, New York	3,889,661	2,024,496	2,050,331	1,473,440	576,891
Girard F. and M., Philadelphia	997,864	466,533			
Glens Falls, Glens Falls	2,794,065	1,963,740	997,330	902,441	94,889
Globe and Rutgers, New York	1,656,147	1,603,842	727,114	608,318	118,796
Hamburg-Bremen Fire, Hamburg	504,268	491,196	1,582,502	1,083,750	498,752
Hamilton Fire, New York	154,328	243,339	2,445		2,445
Hartford, Hartford	6,374,820	4,695,284	6,766,937	6,539,523	227,414
Home, New York	11,720,501	10,461,758	2,125,721	*1,957,151	168,570
Hanover Fire, New York	1,925,516	1,513,013	1,398,035	911,982	486,053
Indemnity Fire, New York	294,786	226,267	122,441	72,674	49,767
Law Union and Crown, London	576,037	310,779	1,707,412	1,568,150	139,262
Liv. and London and Globe, Liv.	5,262,280	5,217,199	4,003,566	3,838,820	164,746
Liv. and London and Globe, N. Y.	407,386	445,022			
London Assurance, London [Fire]	857,682	608,077	4,675,409	4,383,193	292,216
London and Lancashire Fire, Liv.	1,149,732	1,245,631	3,630,605	3,232,658	397,947

NAME AND LOCATION OF COMPANY.	SURPLUS TO POLICYHOLDERS.		SAN FRANCISCO CONFLAGRATION LOSSES.		
	January 1, 1906.	November 1, 1906.	Net Losses Incurred.	Paid in Cash Nov. 1, '06.	Unpaid November 1, 1906.
Lumber, New York	311,890	315,243			
Lumber Mutual, Boston	138,405	183,249			
Lumbermens Mutual, Mansfield	143,741	175,485			
Mercantile F. and M., Boston	468,281	\$71,691	487,128	401,120	86,008
Michigan F. and M.	682,687	558,000	385,935	385,935	
Milwaukee Fire	355,285	\$295,401	181,593	162,031	19,542
Milwaukee Mechanics	1,557,210	614,244			
Moscow Fire, Moscow	658,859	427,503	278,792	241,917	36,875
Munich Reinsurance, Munich	1,289,221	866,767	2,249,973	1,931,955	317,988
Nassau, Brooklyn	451,458	310,074	187,599	136,537	51,062
National Fire, Hartford	3,314,305	2,067,279	2,569,578	2,415,016	154,562
National Lumber	247,379	231,665			
New Brunswick Fire	244,522	206,252			
New Hampshire Fire, Manchester	2,237,648	2,143,872			
New York Fire	261,682	1,192,525	243,306	151,006	92,300
Niagara Fire, New York	2,310,412	1,576,743	2,130,399	1,948,309	182,090
Northern, London	1,365,348	1,152,018	2,317,298	2,102,846	214,452
Northern, New York	450,996	491,704	2,467	2,467	
North British & Mercantile, N. Y.	696,026	749,910	13,500		13,500
North British and Mercantile, Lon.	2,939,531	2,804,876	3,201,138	2,904,500	296,638
North River, New York	790,895	567,257	380,717	231,555	149,162
Northwestern F. and M., Minn.	369,611	283,854			
Northwestern National	1,823,337	1,711,451			
Norwich Union Fire, Norwich	891,798	208,271	1,434,471	830,726	603,745
Orient, Hartford	1,297,529	718,335	792,981	635,091	157,890
Pacific Fire, New York	368,792	352,469	55,176	27,247	27,929
Palatine, London	1,069,663	1,380,435	1,693,007	855,343	837,664
Pelican Assurance, New York	319,803	259,199	468,147	389,414	78,733
Peter Cooper Fire, New York	231,906	200,515	52,503	39,097	13,406
Phenix, Brooklyn	3,236,779	1,408,957	2,988,122	2,717,209	270,913
Phoenix, London	1,295,271	1,543,608	2,471,383	2,236,929	234,454
Phoenix, Hartford	4,380,939	3,113,941	1,771,104	1,675,773	95,331
Providence Washington	1,168,039	631,411	792,659	691,235	101,424
Prussian National, Stettin	486,017	351,772	933,028	807,997	125,031
Queen, New York	3,722,651	2,749,494	1,588,911	1,457,160	131,411
Queen City Fire, Sioux Falls	310,441	202,602	118,664		83,938
Rochester German, Rochester	689,659	834,532	603,902	435,735	168,167
Rossia, St. Petersburg	733,245	460,850	1,172,503	700,316	472,187
Royal, Liverpool	2,852,126	2,615,360	4,635,553	4,277,768	357,785
Royal Exchange, London	894,225	934,628	2,948,028	2,887,395	60,633
Salamandra, St. Petersburg	589,255	546,106	322,255	275,424	46,831
Scottish Union & Nat'l, Edinburgh	3,338,058	2,513,499	1,050,637	904,248	146,389
Seaboard F. and M., Galveston	306,980	278,126	25,470	22,345	3,125
Security, New Haven	861,005	659,325	430,968	392,139	98,829
Skandia, Stockholm	442,735	360,380	643,427	593,163	50,264
Southern, New Orleans	343,612	351,384	2,500	2,500	
Springfield F. and M., Springfield	3,966,024	\$2,735,627	1,617,958	1,555,486	62,472
Spring Garden, Philadelphia	702,884	509,064			
State Fire, Liverpool	302,602		1,243,956	970,222	273,734
Stuyvesant, New York	352,112	242,730	149,777	87,820	61,957
Sun, London	873,275	953,638	1,674,689	1,500,383	174,305
Svea Fire and Life, Gothenburg	371,343	420,971	830,413	710,008	120,405
Teutonia, New Orleans	386,624	358,428	307,296	285,876	21,420
Union, London	870,314	667,196	3,176,792	3,024,915	151,876
Union Fire, Buffalo	312,279	302,567			
United States Fire, New York	311,330	283,370	142,336	83,596	58,740
Victoria Fire, N. Y.	269,774		46,410	46,410	
Virginia State, Richmond	585,796	400,719			
Westchester, New York	1,978,128	1,225,007	952,242	898,951	53,291
Western, Toronto	782,945	514,730	956,742	731,791	224,951
Williamsburgh City Fire, Brooklyn	1,742,093	1,037,096	885,901	612,841	273,060

*Net, after deducting reinsurance. a Impairment \$101,932. b Impairment \$128,389 c After deducting \$521,090 saved by compromise. d As of June 30, 1906. e Funds to pay remaining losses to be sent from home office. f Impairment \$198,075. † Reinsured in New Hampshire Fire May 4, 1906; ceased business; in liquidation. ‡ Corporation dissolved by or der of court, November 28, 1906. g \$473,750 remittance received from home office since October 31st for payment of remaining claims.

- The German of Pittsburg has entered Connecticut.
- George F. Grant, San Francisco manager of the Franklin Fire of Philadelphia, died recently after a long illness.
- The Buffalo German has reinsured its Pacific Coast business in the Jefferson Fire of Philadelphia and ceased writing business in that field.
- Elsewhere in this issue appears an advertisement for a capable special agent acquainted with the field surrounding Chicago. An opportunity is offered for such a man to build up a Western department.
- New York and Chicago agents and brokers possessing facilities for securing a good class of surplus line risks for a strong foreign company would do well to correspond with the company which advertises in another column for connections of this nature.
- The report of the special committee of the board of trustees of the San Francisco Chamber of Commerce on insurance settlements has been issued. The report says in part: "Unquestionably, taken all in all, the companies have done remarkably well. An immense sum of money had been paid into this city, a far larger sum than companies have ever been called upon to pay at one time before. In spite of the earthquake, in spite of the nearness in time of the Baltimore and Toronto conflagrations, the companies will finally have paid undoubtedly in the neighborhood of eighty per cent of the amount of insurance involved. At Chicago there was fifty per cent paid; at Baltimore, ninety per cent. The remarkable difference between the showing made by the companies at San Francisco and at Chicago, where there were forty-six that failed, shows the great progress that has been made in the thirty-five years in legitimate underwriting. And yet the San Francisco experience clearly points the way to needed improvements."

Casualty, Surety and Miscellaneous

Contributory Negligence Clause Inoperative.

The Supreme Court of Michigan has just decided a case between the United States Accident Association and W. M. Hunt of Kalamazoo, in which it is held that companies cannot avoid liability because of ordinary contributory negligence. Hunt broke his ankle while playing indoor baseball by running past first base and colliding with a brick wall. The accident company refused to pay the claim on the ground that Hunt had violated a clause in his policy that bound him not to voluntarily or unnecessarily expose himself to danger. In rendering its decision the Supreme Court said that accident insurance contracts would be shorn of much of their value if ordinary contributory negligence could be interposed as a defense.

United Surety Affairs.

Last week several meetings of the stockholders and directors of the United Surety were held and culminated in the resignation of President W. G. Hoffman. His successor will probably be selected at a meeting to be held in about a week. Meanwhile Vice-President and General Manager George C. Brown will act as president. Ernest J. Knabe, Jr., the new controlling spirit in the company, is said to regret the retirement of Mr. Hoffman. (?) At a stockholders' meeting preceding that of the directors, Ernest J. Knabe, Jr., William Knabe and E. R. Hoffman were elected to the directorate. Stewart S. Janney resigned as a member of the executive committee and the two Knabes and E. R. Hoffman. Action on the proposed assessment on the stock was deferred. It is said that the controlling interests are seeking more stock.

Casualty Notes.

—The Pacific Coast Casualty has entered Michigan and appointed Wrock & Watson, State agents.

—Charles E. Carr of the plate-glass department of the Peoples Surety, will leave the service of the company to-day.

—William A. Rogers, superintendent of agents for the Casualty Company of America in this city, has been appointed manager of the accident and health department in Greater New York.

—To-morrow the underwriters of teams liability insurance will meet at the offices of the Fidelity and Casualty Company in this city to discuss important questions regarding this branch of the business.

—The Standard Life and accident of Nashville has filed amended articles of incorporation showing an increase of its capital from \$250,000 to \$500,000. The number of directors has been reduced from thirty to fifteen.

—The Hartford Steam Boiler had a \$10,000 policy on the boiler of the J. P. Harney Shoe Company of Lynn, Mass., which exploded last week, and as this covers all damage exclusive of the fire damage, it will be a total loss. The boiler was of the lapped seam tubular type, eighteen feet six inches long over all.

—"Among Ourselves" is the title of an eight-page quarterly publication issued by the Pennsylvania Casualty Company. The paper contains testimonial letters, a list of claims paid by the company during the quarter, and some excellent articles which should prove of much value from an advertising standpoint.

—Suits are pending against two prominent physicians of Cincinnati, George A. Fackler and John C. Oliver, for \$10,000 damages by William G. Doll. After an automobile accident Doll volunteered a strip of cuticle to aid a friend who was injured. While under the influence of an anesthetic, he claims that 42 inches of cuticle was taken from him and he asks damages accordingly.

—The Attorney-General of Michigan has ruled that, owing to an error, the corporate existence of the Northern Accident Company of Detroit was not canceled by the contract of reinsurance entered into some time ago with the National Casualty Company of Detroit. The Northern will continue in business, but will change its name to Imperial Casualty Company of Detroit.

—The United States Accident Association of Detroit is being reorganized as a stock company under the name of the United States Life and Casualty Insurance Company, with capital of \$100,000, all of which has been provided for, and will write both industrial and ordinary business. The company will begin business on January 1, and A. C. McGraw, who has managed the United States Accident Association, will hold a similar position with the new company.

Surety Notes.

—Thomas F. Ryan has resigned as a director of the American Surety.

—R. R. Gilkey, who has been acting manager of the Chicago office of the American Surety since the death of Daniel T. Hunt, has been appointed manager.

—The Western Surety Company of Sioux Falls, S. D., is said to have collected \$14,000 in premiums last year on all classes of bonds, including criminal bonds. The company claims a capital of \$50,000 and a deposit of \$20,000 with the South Dakota Insurance Department. The concern does a local business, and is officered by John A. Bowler, president, and Joseph Kirby, secretary and treasurer.

—In the court house injunction suit at Cleveland, letters were read from the American Bonding Company and the Title Guaranty and Surety, declining to furnish bonds to contractors before the contracts were let. The companies contend that the contractors may submit bids that the companies could not guarantee or might be detrimental to their business. The contractors held that the requirement that they should name their bondsmen in their bids prevented fair competition.

—The case of the American Bonding Company against the Territory of Oklahoma has been appealed to the Oklahoma Supreme Court. This suit grew out of the failure of the Capitol National Bank two years ago. The bonding company guaranteed the Territorial deposits in that bank to the amount of \$250,000. When it failed the Territory had on deposit \$244,053.21, and that amount has since been reduced by dividends since the failure to \$177,501.01. The Territory brought suit in the District Court here and obtained judgment for that amount against the bonding company, which now appeals to the higher court.

TOO LATE FOR CLASSIFICATION.

Travelers Insurance Company to Increase Capital.

The board of directors of the Travelers Insurance Company of Hartford have authorized the president to apply to the legislature for an amendment to the company's charter allowing an increase of capital from \$1,000,000 to \$10,000,000 as required. Stockholders of record will be allowed to subscribe for the new stock at the par value, which is 100.

To Increase Capital.

The Employers Liability Assurance Corporation of London has decided to increase its capital by the issue of 25,000 new shares at £10 each, which represents the unissued balance of the 100,000 shares of £10 each of which the capital consists. These new shares will be issued at £7 10s. per share, being £2 paid up and a premium of £5 10s., the premium to be carried to reserve. The increase in capital is being made to meet the requirements of foreign and colonial governments as to investments and deposits.

—Edmund Dwight, New York State resident manager for the Employers Liability Corporation, has returned from a trip abroad.

—H. D. Chapman has recently resigned as agency director of the New York Life at Syracuse, N. Y., and has been appointed superintendent of agencies for the Capitol Life Insurance Company of Colorado, with headquarters at the home office in Denver.

—Last week the positions of auditor, assistant auditor and foreign department accountant of the Mutual Life of New York were abolished. Auditor C. A. Preller and Assistant Auditor C. C. Greatsinger have been retained, and W. L. Simrell has been appointed auditor of domestic accounts, and F. C. Denning, auditor of foreign accounts.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Atlanta Birmingham Fire Insurance Company, Birmingham, Ala.

Attorney-General Massey of Alabama, acting for the State Insurance Department, has secured the appointment of A. C. Sexton as temporary receiver for the Atlanta Birmingham Fire. Mr. Sexton has gone to Atlanta to take charge of the office of the company in that city.

American Fire and Marine Insurance Company, Minneapolis, Minn.

The American Fire and Marine has been organized at Minneapolis, and is expected to commence business early next year. The new company is to have a capital of \$500,000 and a surplus of \$250,000, and will transact a general business throughout the United States, operating on tariff lines. Charles W. Higby, who has resigned as Western manager of the Hanover Fire, is to be president;

Fred. A. Hubbard, assistant Western manager of the Hanover Fire, goes with the new company as secretary and treasurer, and V. M. C. Nelson, from the Chicago office, becomes cashier. The directors are the following: F. M. Prince, president First National Bank; F. E. Kenaston, vice-president of the National Bank of Commerce and president of the Minneapolis Threshing Machine Company, who will be vice-president of the company; Horace M. Hill, of Jenny, Sample, Hill & Co., wholesale hardware; G. F. Piper, vice-president Chamber of Commerce; E. C. Warner, president Midland Linseed Oil Company; F. H. Wellcome, president Union Investment Company; S. A. Harris, president National Bank of Commerce; C. T. Jaffrey, vice-president First National Bank; John Lind, ex-Governor of Minnesota; John McMillan, president Empire Elevator Company and Osborn-McMillan Grain Company; Charles S. Pillsbury, capitalist; J. L. Washburn, attorney, Duluth; W. D. Douglas, Douglas Bros., Cedar Rapids, and O. A. Robertson, president Northwest Colonization Company, St. Paul.

Citizens Fire Insurance Company of Charlestown, W. Va.

Forrest W. Brown, N. C. Brackett, W. F. Alexander, Robert L. Withers, W. O. Norris and R. W. Alexander, as organization committee, have issued a prospectus of the Citizens Fire Insurance Company of Charlestown, W. Va. The authorized capital is \$200,000, stock to be sold at 150, giving \$100,000 surplus.

Dixie Fire Insurance Company, Greensboro, N. C.

The statement of this company, as filed with the New York Insurance Department, shows assets, \$750,000; capital, \$500,000; net surplus, \$250,000. Among its resources were \$10,000 in State of Georgia bonds, \$250,000 in United States bonds, and \$169,962 of cash in hands.

Firemans Fund Insurance Company, San Francisco, Cal.

Over nine-tenths of all direct policy claimants have accepted this company's plan of settlement, viz., 50 per cent of the adjusted claims in cash and 50 per cent in fully paid stock of the company, par \$100 a share, taken at a valuation of \$500 per share. Twenty per cent on its losses were paid in September and 30 per cent more is now being paid. Orders are also being distributed for the shares of stock representing the remaining 50 per cent, which will be issued so soon as the necessary legal formalities in connection with same can be completed. In accordance with its agreement, the company has levied an assessment of \$300 per share on stockholders. The final step in the rehabilitation of the old Firemans Fund will be the purchase from the new corporation of the agency plant and outstanding business which was sold to it last May.

Freeport German Fire Insurance Company, Freeport, Ill.

J. Herbert Anderson & Company of Chicago announce the organization of a new fire company to be known as the Freeport German Fire, with headquarters at Freeport, Ill. It is expected that the company will be ready for business by January 15, with a capital of \$200,000 and a like amount of surplus. Brown, Anderson & Young will be Cook county (Illinois) managers.

Mercantile Fire Insurance Company, Denver, Col.

This company reports that it began business March 1, 1906, with a guaranty trust fund of \$30,000, consisting of \$10,000 cash and twenty secured notes of \$1000 each, and that it is not an assessment company, but conducts its business on the cash plan. Of its premium receipts, 37 per cent is allotted to expenses and 63 per cent is set aside solely for the payment of losses and the maintenance of a guaranty trust fund. In the first eight months of business the premiums aggregated \$16,975 and the losses \$2758. As of November 1, the assets were stated at \$38,186, including guaranty trust fund, \$30,000; special reserve fund, cash, \$5260; general fund, cash, \$214; uncollected premiums, \$3775; furniture and fixtures, \$573, and a few minor items. W. J. Galligan is president, and J. R. Gardner is secretary and manager of this company and of the Merchants Mutual Fire Insurance Company of Denver.

Merchants Mutual Fire Insurance Company, Denver, Col.

This company commenced business March 1, 1904, and reported as follows as of September 29: Assets, \$35,214, including guaranty trust fund, \$17,548 (cash \$1448, loans \$16,100); special reserve fund, cash, \$2146; general fund, cash, \$8631, and loans, \$800; uncollected premiums, \$4777; assessable notes on three and five-year policies, \$464, and other small items. The premiums received in the first nine months of 1906 were \$25,273 (less \$1851 reinsurance, and \$460 rebates), and losses amounted to \$6887. The loans mentioned consisted of first trust deed loans, seven being on improved Denver property, and one (\$2000) on twenty-eight acres adjoining town of Loveland. On January 1, 1905, the company ceased doing business on the assessment note plan, and now does a cash premium business; 37 per cent of premiums is set aside for expenses, and 63 per cent is used for loss payments and the maintenance of a guaranty trust fund sufficient to reinsure all risks in force, and which "is liable for no purpose except payment of fire losses in case of emergency." W. J. Galligan is president, and J. R. Gardner is secretary and manager of this company and of the Mercantile Fire Insurance Company of Denver.

North Coast Fire Insurance Company, Seattle, Wash.

This company, which is at present a mutual, will, it is understood, reorganize on the stock plan, with a capital of \$250,000, early in 1907, under the management of James McBurney.

Pacific Fire Insurance Company, Seattle, Wash.

This company was recently organized by Weymouth & Larsen, and expected to commence business about March 1, with a capital of \$200,000 and a surplus of \$100,000.

Prudential Insurance Company of Tazewell, Va., and Atlanta, Ga.

Judge Scott of the Law and Equity Court, Richmond, Va., recently appointed E. A. Catlin receiver for the Prudential. The application was made by Virginia policyholders of the companies whose claims are unsatisfied.

Seaboard Fire and Marine Insurance Company, Galveston, Tex.

Statement October 31, 1906: Assets, \$327,875; paid-up capital, \$250,000; net surplus, \$28,126; San Francisco losses, net, \$25,470; paid in cash, \$22,345; unpaid, \$3125.

South German Fire Insurance Bank, Munich, Germany.

It is understood that, owing to heavy losses at San Francisco, the subscribed capital of this company will be called in, and that the company will consolidate with the Alliance Insurance Corporation, Ltd., of Berlin, Germany. The latter company is licensed in California, where it writes marine insurance. The San Francisco losses of the South German, including direct "surplus lines" and re-insurances, are estimated to have reached \$750,000.

Transatlantic Fire Insurance Company, Hamburg.

It is reported that the above-named company has reinsured its entire outstanding liabilities in the Albingia of Hamburg.

West Virginia Fire Insurance Company, Charleston, W. Va.

Arrangements have been completed for the launching of a new stock fire company at Charleston, W. Va., to be known as the West Virginia Fire. It will have a capital of \$200,000 and a surplus of \$100,000. J. Walter Scherr, who has been connected with the Auditor of State's office for the past eight years, will become secretary and general manager of the company.

AGENCY MANAGER WANTED.

Exceptional opportunity for first-class manager of agents, either upon a commission basis or upon a fixed salary, with a reputable and responsible legal reserve company. In replying, kindly state what commission or salary is expected. Address "SECRETARY,"

care THE SPECTATOR COMPANY,
135 William St., New York.

Surplus Lines.

A London Insurance Company of unquestionable standing is open to appoint Agents in New York and (or) Chicago, for the purpose of accepting American surplus (Fire) lines, with preferential arrangements for Sprinklered Risks.

Communications indicating facilities possessed for obtaining the business, giving some idea of the probable premium income which might be expected from it, and a rough schedule of Limits on any one risk, etc., and stating, fully, Agency Terms required, should be addressed to "X", care of Messrs. C. & E. LAYTON,

56 Farringdon Street, London, E. C., England.

Agency Wants.

WANTED

By an old and successful American Fire Insurance Company with no San Francisco losses, a hustling special Agent to develop gradually states around Chicago. Must be thoroughly familiar with Cook County business, intention being to organize a Western Department. Good opportunity for advancement; all replies confidential. Address Cook County Special, care of THE SPECTATOR COMPANY, P. O. Box 1117, New York.

Incorporated Company desires to secure General Agency contract for prominent Life Insurance Company for State of California. Will guarantee \$600,000 first year, one million annually thereafter. Twenty years' experience in the business. Want top contract, no advances. Will buy established business. Address P. M. CAROE, Secretary, 1958 West 22nd Street, Los Angeles, California.

WATCH THE DATE OF EXPIRATION OF AGENTS' LICENSES.

FIRE INSURANCE LAW CHART.

A new, revised and enlarged edition of this convenient Chart has just been issued by THE SPECTATOR COMPANY. It contains a Summary of Special State Laws Relating to Statements required of Fire Insurance Companies, States Having Standard Policy and Valued Policy Laws, Resident Agent Law, Law Relative to Co-insurances and Laws Prohibiting Compacts and Reinsurance in Unauthorized Companies. The Chart also states Whether Home Office Statements are Required of Foreign Companies, gives the Final Date When Annual Statements may be Filed, Charges for Filing Statements, When Tax Statements are Required, the Date of Expiration of Local Agents' Licenses, and the Amount of Tax Required.

The Chart is 16 by 23 inches, brass tipped top and bottom, and is printed on excellent bond paper, so that it may be hung up in a convenient place for ready reference. \$1.00 per copy. Special prices quoted for quantities.

THE SPECTATOR COMPANY,

135 WILLIAM STREET, NEW YORK.

THE SPECTATOR:

THE SPECTATOR, established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.

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VOL. LXXVII. THURSDAY, DEC. 20, 1906. No. 25.

SAN FRANCISCO AND INSURANCE.

SHORTLY after the earthquake and conflagration that destroyed the greater part of San Francisco, and involved the insurance companies in such stupendous losses, the Chamber of Commerce appointed a special committee to inquire and report upon insurance matters connected with the disaster. The report of this committee to the Chamber of Commerce has recently been issued in pamphlet form and makes interesting reading. The main facts treated of in the report have been given from time to time in the news columns of THE SPECTATOR, but there are some points made by the committee that deserve especial notice.

The committee finds that the property loss by the earthquake was less than was at first reported, the greater part of the destruction having been caused by fire. The difficulties encountered by the insurance companies in adjusting the enormous losses are recognized by the committee, the difficulties having been greatly increased by the hostile attitude assumed by the local press toward the companies, and the indiscreet publication of various matters that were under consideration and designed for the general good. But for the indiscreet and inflammatory utterances of the papers, that tended to excite popular hostility to the companies, the losses would have been adjusted and paid in much less time. The report contains a list of all companies that sustained losses and the basis of their settlements, which may be summed up in the language of one of the local papers as follows:

In the main the fire insurance companies have done remarkably well. They have adjusted losses in a spirit of perfect fairness and have paid promptly. Other companies have done the best they could. The losses were gigantic and overwhelming. The exceptions—the repudiators, the scalers where more might be paid—are few; and it will not be right for the legislature to enact hostile and tripping bills because of the illiberal, "squeezing" or dishonest practices of these few.

Some special legislation is no doubt needed and will not be unwelcome; but any measures which merely bid for the favor and the votes of the unthinking by harassing and expelling companies will recoil and damage the most important mercantile and industrial interests of the State. Fire insurance is a necessity, not a luxury.

The report treats at length of the conflagration hazard, and concludes that it is impossible to limit by law the amount

of insurance a company may carry in any congested district for the reason that there is not sufficient capital invested in the business to provide the amount of insurance demanded to protect the property at risk. The report finds that the loss to insurance companies by the San Francisco conflagration exceeds the profits they have made in the past twenty years. Conflagrations are imminent in the congested districts of every large city, and the companies must prepare for such emergencies by accumulating surplus funds.

Evidently in response to the public clamor on the Pacific Coast for additional restrictive insurance legislation, the report says:

Nothing is more certain than that there ought to be more money invested in the fire insurance business than there is to-day, or than there has ever been, if there is to be adequate insurance protection for large cities. To this end, as has been said, it is desirable that the business of fire insurance should be made as attractive to capital as may be consistent with the good of the insured.

A long step in this direction may be taken by applying intelligence and fair-mindedness to the subject of insurance legislation; in fact intelligent legislation would have the effect of improving conditions for both the insurer and the insured, for inevitably any restriction upon the insurer is immediately shifted to the shoulders of the insured. But in our present condition in California the thing we least need now is more legislation. Publicity is better than legislation, and for some years fire insurance will continue to be a matter of public interest. There is no more inexorable economic fact than that unwise legislation will do one of two things; either raise the rates or drive companies out of business. The best thing that could possibly be done for the insured is to remove all unnecessary restrictions from the companies and to encourage the formation of organizations for properly adjusting rates and preserving stable conditions.

Such organizations seem to have the character of trusts, but in reality their nature is entirely different. Of course any organization may be used in such a way as to prevent competition and doubtless boards may be and have been used for this purpose; but there is nothing in the fundamental nature of a board as rate-maker that tends to restrict competition; quite the opposite; for this information regarding rates must of necessity become largely public property and is to that extent generally available for whoever will to use. There will always be non-board companies and rates will always be kept down by competition.

There is much in the above for legislators in other States to ponder over. Much insurance legislation will be proposed in the various State legislatures this winter, and the voice of this committee, that has had the subject under consideration for months, with a most costly object lesson before their eyes, should be listened to. The statement that it is an "inexorable economic fact that unwise legislation will do one of two things, either raise the rates or drive companies out of business," cannot be too forcibly impressed upon every law making body. The conclusion of the committee, after careful investigation, that rate making boards are not inimical to the interests of propertyowners, and that their nature is the opposite of that which characterizes the obnoxious "trusts" is in line with the opinion expressed editorially in THE SPECTATOR of last week.

IN other columns of this issue of THE SPECTATOR will be found the substance of a letter addressed by President Morton of the Equitable Life to the presidents of the leading life insurance companies, asking them to meet in New York to-morrow for the purpose of forming an association in the

FIRE INSURANCE TOPICS

interests of policyholders and company managers. He laments the lack of co-operation that characterizes the business, and thinks that great good can be accomplished through associated effort. While the idea of such an organization is by no means a new one, the suggestion that one be formed is most timely. Years ago there existed a so-called congress of life insurance companies, but its existence was brief and the circumstances leading to its disruption not particularly savory. The rock upon which it split was an attempt to control all companies virtually by one management in matters of too much detail. It is impossible to place them all upon one plane, or to measure plans and methods by the same yardstick. The outline of Mr. Morton's proposition avoids this mistake, and would have the proposed new organization assume jurisdiction only over such matters as are common to all alike. For instance, he would have the association take note of all proposed legislation in the different States, and unite in an effort to promote such as would be in the interests of policyholders and oppose such as would be detrimental to them. It is safe to say that if such an organization had been in existence during the past twenty years, working harmoniously to secure intelligent legislation, the companies would have been saved millions of dollars that have been expended by them individually upon legislative lobbyists, including attorneys who were supposed to have influence at State Capitols, and much of the scandals of the past year would thus have been avoided. A better understanding among the companies will also tend to reduce the cost of conducting the business, by eliminating many of the evils that owe their origin to high pressure competition. But no organization as outlined in Mr. Morton's letter can be made a success if the element of good faith is lacking. It is a notorious fact that, in their eagerness for volume of business, the leading companies have at times broken their agreements with each other, and were better pleased to steal business that one of the other had secured than to work in fresh and uncultivated fields. It will be a great boon to everyone interested in life insurance if an association of managers of companies can be formed that will place the business upon a legitimate business basis and root out the evils that have grown up in it, to the detriment of policyholders and the development of scandals that have brought the blush of shame to every honest citizen.

AN important suit has just been terminated by a verdict in the New York Supreme Court awarding the Continental Insurance Company \$12,000 on account of its losses by a fire said to have been due to the electric wires of the New York Edison Company. The fire occurred February 25, 1900, and it was charged that wires of the defendant company had been fastened to a cornice upon the building insured by the Continental; and evidence was adduced to show that the fire which damaged or destroyed the building had been caused by the electricity which these wires conducted. The total loss occasioned by the fire in question aggregated \$100,000. The responsibility thus affirmed may lead to the recovery of large sums lost through other fires, if strong enough evidence can be produced; at any rate, it will doubtless cause electric companies to exercise more care in stringing wires and installing equipment than they have hitherto done.

NEW YORK SURVEYS.

The regular meeting of the New York Board was held yesterday. Early in the day there was an expectation upon the part of many members that there would be an effort to undo the action of the previous session in agreeing to the programme of the joint committee on economies in retiring the superintendent of surveys, William A. Anderson, upon a pension of \$5000 per year. The committee on surveys and the committee on electricity, under whom Mr. Anderson has directly served the Board for many years, are opposed to his retirement under present conditions. The supposition one month ago was that the joint committee would appoint Manager Hess of the Exchange as Mr. Anderson's successor, but it appears there was a hitch in this plan, as explained last week. Mr. Hess declined to accept. The effect was to throw open the question and, while Mr. Anderson may have been indirectly legislated out of office, the two committees object strenuously to this interference with their duties, and will ask that the superintendent of surveys be continued after January 1 on the same basis as before. The Board end of the proposals of the committee on economies threatens to make as much friction as the Exchange end.

We are informed that the proposal to create a finance committee, to supersede the executive committee of the Exchange, is likely to fail. It is in reality an amendment to the agreement which requires a unanimous vote, and it can hardly be expected that the committee thus set aside will calmly sit still and allow themselves to be snuffed out in an unceremonious way. Notwithstanding this rebuff, the proposition is one of the most meritorious which has been presented by the joint committee.

The Richmond County Mutual Fire of Richmond, N. Y., is reorganizing as a stock company, with \$200,000 capital and \$39,000 surplus. The new company will be known as the Richmond Insurance Company. John E. King will be the Richmond's general agent and underwriter. Mr. King is well and favorably known in New York underwriting circles, and the company is to be congratulated upon securing his services.

The alarm of fire and the gathering of engines in the heart of the insurance district, on the corner of William street and Maiden lane, last Friday at high noon, created a five-minute scare among the fire offices. The diners at the Underwriters Club left their tables and craned their necks; some of them left their lunch unfinished, and the street was in an uproar, which rose and declined in a brief space of time.

Neither of the big department stores at Thirty-fourth street and Fifth avenue have had to resort to affidavits thus far, although the Individual Underwriters came in, it is said, for more than a half million on each risk. As the total on the two loom up toward the ten million mark, this is conclusive proof that the capacity of the companies is equal to the demand.

The control of the National Metropolitan of Washington by the American of Newark has no importance to this city, as the Washington office has no New York business. Its acquisition opens the door, however, to a very desirable class of dwelling risks in Washington, which the agency companies always envy, but rarely succeed in acquiring on easy terms.

The enormous sales of holiday goods this season has already had the effect of a wholesale cancellation of policies upon various department stores and their allied interests. One of the Sixth avenue firms canceled \$250,000 on Monday, and the broker stated that he would, in addition, drop \$100,000 of the January expirations. The brokers who handle these risks are not at all happy.

A broker who thinks he knows a heap of what is going on laments the general suspicion that the companies are dealing unfairly with the wildcat brokers, by which term he describes those who do not hold a certificate from the brokerage committee. He has been advised to make his complaints in writing, and has been assured that his name will

never appear in any subsequent proceedings; but if his charges are sustained in any degree, the guilty party will be deprived of his certificate. This mild-mannered suggestion was resented, as if it were an invitation to jump out of the frying pan into the fire.

The manager of the Exchange states that several more of his best subordinates have resigned, and he hardly knows where to find their successors. No doubt at one time there was much uncertainty as to the continuance of present arrangements in the Exchange, but that passed when the committee on economies was discharged from further service. Possibly the event which caused more anxiety and uncertainty in the Exchange ranks than any other was the avowal, on the part of the manager, that he intended to resign. That threat thus far has not been executed.

An unusual number of rate changes have appeared on the cards in the cabinets lately, and in consequence brokers are hunting schedules and comparing notes in an anxious sort of way. In spite of a string of improvements, the upward trend of schedule rates is remarkable. In comparison with the record of other cities, it appears that New York is favoring underwriters far more than our neighbors, particularly in the West.

The president of the Brooklyn New England Society, whose annual banquet is held to-morrow evening, is E. R. Kennedy of Weed & Kennedy.

The Brooklyn agency of the Aachen and Munich Fire has been transferred to J. Lehrenkrauss' Sons.

BOSTON AND VICINITY.

R. A. Boit, W. E. Davenport and A. S. Lovett have been elected on the tariff committee of the Boston Board of Fire Underwriters.

The Underwriters Bureau of United Inspection has voted to extend its supervision so as to include non-sprinkled risks, and a special committee has been appointed to formulate plans and details.

The New England Insurance Exchange has voted to increase the factory improvement committee to twenty-five members, and that the sub-division of the committee by States be abolished.

George W. Watt has resigned from the various positions of assistant manager of the fire branch of the Boston Insurance Company and of the Old Colony, and member of the fire insurance firm of Winchester & Watt, to accept the office of vice-president of the Girard Fire and Marine.

C. H. Rice, who has held the position of general agent for Northern New England and Eastern Massachusetts of the Niagara, has been made general agent of the company for the entire New England territory.

Steps are being taken to strictly enforce the law forbidding the use of the "explosion rider" in this State, which formed the subject of an opinion by Attorney-General Malone, which was published in THE SPECTATOR of November 15. It is still being used, in certain cases, where large controllers of real estate have threatened to take their business from their brokers if the riders are not used. The real estate men appear to think that the non-use of the riders is simply a ruling of the insurance companies, and think that they can brow-beat the brokers into using them. The brokers are between two fires; but their course is plain.

E. B. Cowles of Field & Cowles is to present to his native town, East Haven, Conn., a handsome memorial gate for the town cemetery.

NOTES FROM PHILADELPHIA.

Harold A. Lyle has been appointed an agent of the Queen City Fire of South Dakota.

The Corporation Finance Company is backing the organization of the Peoples Fire Insurance Company of Philadelphia under an entirely new plan. Each share of stock is to be sold at \$50, and the holdings of any one person is limited to fifty shares. Payment for shares can be made on the basis of \$1.00 each at the time of subscription, and \$1.00

per week thereafter until the whole \$50 per share has been paid. One-half the \$50 paid for each share will be placed to surplus account. The amount of the capital stock of the company will not be known until December 31, 1907, when the organization will be completed with an amount equal to the subscriptions in hand at that time.

The officers of the recently organized Lincoln Mutual Fire of this city are: President, James B. Coryell; vice-president, George Dudley Whitney; secretary, Henry Farnum.

Seeler & Herkness have been appointed second agents of the Allemania of Pittsburg.

The payments on account of the increase in stock of the United Firemens of this city have been completed, and the \$200,000 thus raised has been divided equally between capital and surplus, placing the company in a strong position. Sixteen shares of stock of the company sold at auction last week at 17½ per share.

George W. Watt has resigned as special agent of the Boston Insurance Company for New England, to accept the position of vice-president of the Girard Fire and Marine of Philadelphia, as successor to Henry M. Gratz, who was recently elected president to fill the vacancy caused by the death of Alfred S. Gillett.

D. J. Walsh's Sons have been appointed local representatives of the City of New York, succeeding Robert M. Coyle.

There is much discontent among many local agents and companies over the recent loss of the large line on the Midvale Steel Works. It is said that Curtin & Brockie, the local representatives of the Johnson & Higgins Corporations, placed the line, and leading offices which had a line on the risk, through the previous brokers, almost without exception state that they were not offered the risk by Curtin & Brockie, and are inquiring what has become of it.

Stone, Mathews & Co. of Philadelphia have incorporated, with an authorized capital of \$50,000.

The new German Union Fire of Baltimore, which expects to begin business on January 2, 1907, has elected the following officers: President, Herman Knollenberg; vice-president, William Spilman; secretary and treasurer, Francis Schleunes, Jr. The company is erecting a new home office building at 417 East Baltimore street.

THE MIDDLE STATES.

DEATH OF ALEXANDER STODDART.

Veteran Underwriter Passes Away.

Alexander Stoddart, founder of the New York Underwriters Agency, died last week at his country residence at Alpine-on-the-Hudson, after a protracted illness. Alexander Stoddart was born in Leith, Scotland, and when six years of age came to this country with his parents, spending his boyhood days at Georgetown, Ky. After leaving college he entered the Western department office of the Aetna of Hartford at Cincinnati, the late J. B. Bennett then being general agent. Mr. Stoddart's ability quickly gained recognition and he was given a special agency for the Aetna. In 1864 he came to New York and established the New York Underwriters Agency; first as sole general agent and since 1895 in partnership with his cousin, as senior member of the firm of A. & J. H. Stoddart.

Mr. Stoddart was engaged in fire insurance for forty-two years and introduced many innovations into the business. He was the originator and first user of the daily report. He was greatly respected for his ability, high business ideals and honorable methods. His acquaintance throughout the country was extensive and his loss is deeply mourned by his many friends, both in and out of insurance circles. His wife survives him.

The funeral services were held at the Rutgers Presbyterian Church, Broadway and Seventy-third street, New York city, Dr. Robert MacKenzie officiating. The church was filled with friends and business associates of the deceased, a large number of prominent underwriters being present. Loving tributes to the deceased memory in the shape of beautiful floral decorations were there in great profusion. The honorary pallbearers were: R. M. Bissell, Col. Samuel B. Paul, Dr. B. G. Clark, Dick Ramsey, E. A. Swain and F. W. Yates. The interment, which was private, was at Greenwood Cemetery, where the veteran underwriter's remains repose in the family plot.

Star Fire Reinsures Its Eastern Department.

The Star Fire of Louisville has reinsured its Eastern department business in the Globe and Rutgers of New York. The territory embraces the States of New York, New Jersey, Pennsylvania, Delaware, Maryland, District of Columbia, Maine, Massachusetts, Rhode Island, Vermont, New Hampshire and Connecticut.

—P. J. Hynes, a prominent insurance agent at Troy, N. Y., is dead.

—The Birmingham Fire of Pittsburg has decided to enter New York State. Blagden, Kelly & Fuller have been appointed metropolitan district agents.

—From January 1, James Westervelt, New Jersey State agent of the Niagara Fire, will have the Hudson River, New York, towns added to his territory.

—The Hamilton Fire of New York has discontinued its agency with the James Ryan's Sons Company at Buffalo, and has appointed Albert A. Bettenger its local agent.

—H. M. Gibbs of Philadelphia, superintendent of agents for the Western of Toronto, will become special agent of the Hartford Fire on January 15 for Eastern Pennsylvania, Maryland, Southern New Jersey and District of Columbia.

—Carl A. Stroebel, inspector and stamp clerk for the Underwriters Association of New York State, has been appointed New York and New Jersey special agent of the Security of New Haven, with headquarters at Albany. The appointment dates from January 1.

—Henry Darrach of the Philadelphia bar, on October 17, 1906, delivered a lecture on "Insurance" at the University of Pennsylvania. Mr. Darrach's lecture contained a great deal of interesting data covering the history and practice of insurance from 2285 B. C. to date.

—At a recent meeting of the executive committee of the National Board of Fire Underwriters rules and regulations were approved governing the storage and handling of cotton and other vegetable fibre in warehouses, wharves, buildings, etc. These rules are to be submitted to local boards and associations of fire underwriters throughout the country, with a request that they be used as a basis for establishing such regulations as will tend to prevent fires.

—A suit in equity has been filed in the Court of Common Pleas, No. 5, at Philadelphia, by Joseph Shields to enjoin the receipt of further subscriptions to the new stock issue of the Franklin Fire of Philadelphia, on the alleged ground that the action authorizing the issuance of 12,000 additional shares was taken without any previous notice to the stockholders and without affording them an opportunity to pass on the increase.

THE NEW ENGLAND FIELD.

—The Ben Franklin of Allegheny has entered Connecticut.

—Frank Bancroft, New England special agent of the Union of London, has resigned to go with the Continental of New York.

—The Vermont State Grange Patrons of Industry has favorably considered the project of a grange mutual, and appointed a committee to report at the next annual meeting.

—A House bill amending the act of 1902 relating to the examination of domestic insurance companies by the Insurance Commissioners so as to impose the expense thereof on the State, has been introduced in the Vermont Legislature.

—The local fire insurance agents of Vermont have formed the Vermont Association of Local Fire Insurance Agents, with the following-named officers: F. E. Alfred, Newport, president; R. D. Preble, Shorham, and J. G. Brown, Montpelier, vice-presidents; F. L. Brigham, Bradford, secretary and treasurer.

—The Girard Fire and Marine, which has been in the office of Wakefield, Morley & Co. and their predecessors for many years, has changed its Hartford representation to the George B. Fisher Company, the resident agents of the Scottish Union and National. Wakefield, Morley & Co. have been appointed general agents for Connecticut for the Niagara Fire.

THE WEST.**Ohio Notations,**

[FROM OUR OWN CORRESPONDENT.]

Enoch Thomas, father of Fred P. Thomas, of Fred P. Thomas & Co., of this city, died last week. Mr. Thomas was born in Gloucestershire, England, August 12, 1837, and came to this country when he was nineteen years of age. At first he located at Buffalo, but in 1862 went to Cleveland. Mr. Thomas had for many years been engaged in the insurance business and was interested with his son in the large agency conducted in the Park building.

Owing to a dispute among the city officials at Akron, the south end of the city may be without police and fire signal service. A conduit has been prepared for the Bell telephone wires and poles will soon be removed from the streets. The signal wires are strung on these poles and it has been the intention to put them in the conduit. This will have to be done soon, if at all.

The American Railway Insurance Company of Cleveland will probably

be ready to begin business soon after the first of the year. Sufficient stock has already been taken to make it a strong organization in its field. Electric railway and lighting properties will be written. A meeting for organization will be held soon. At a recent meeting held in New York twenty-five railway and light companies were represented and it was the opinion of all that their properties could be gotten into such shape that they could successfully carry their insurance in their own organizations.

O. M. C.

Cleveland, December 15.

—The Adirondack Fire of New York has entered Minnesota.

—Insurance Commissioner O'Brien of Minnesota has been reappointed for another two years' term by Governor Johnson.

—We deeply regret to learn of the death of the wife of Holger de Roode of Chicago, and extend our sincere sympathy to the bereaved family.

—F. C. Buswell, Chicago manager of the Home of New York, has been elected treasurer of the Chicago Board of Underwriters, succeeding the late Harry W. Magill.

—David E. Jones, special agent of the Firemans Fund, under Frank E. Mannen for Minnesota and the Dakotas, will be transferred to Ohio next month, with headquarters at Columbus.

—The Fire Insurance Club of Chicago has elected the following-named officers: Louis A. Tanner, president; George E. Haas, vice-president; C. S. Thompson, treasurer; A. J. Minster, secretary; Edward Surentin, librarian.

—From March 1, 1907, the general agency of J. D. Sheahan at Chicago for the Shawnee Fire of Topeka will be discontinued, the agents reporting direct to the home office of the company from that date. Mr. Sheahan's territory embraces Illinois, Ohio, Michigan, Minnesota and Wisconsin.

—According to the new tariffs just issued by the Waterworth Advisory Rating Bureau, fire insurance rates in St. Louis have been raised from 10 to 40 per cent on manufacturing plants, mercantile houses and similar industrials. The new rates are effective at once and abrogate the 10 per cent reduction on practically all business it effected.

—W. D. Sutton of Chicago, farm adjuster of the American of Newark and the Security of New Haven, who was injured in a recent wreck on the Lake Erie and Western at Bloomington, died last week in the hospital. The funeral was held at his late home in Peoria, and was attended by Manager Sheldon and the Illinois field force.

—Harry W. Magill, Chicago district agent of the Phoenix of Hartford, died suddenly last week at Pasadena, Cal. Mr. Magill was forty-four years of age and unmarried. He was a prominent figure in insurance circles, and his untimely death is mourned by a large circle of friends. Funeral services were held at Pasadena and the interment took place at Cincinnati.

—The Constitutional Convention now in session at Guthrie, Okla., will in all probability take some action with regard to insurance matters to recommend the same to the first legislature of the new State. A proposition requiring all insurance companies incorporated under the laws of the State to invest seventy-five per cent of their surplus funds in property or securities within the State was introduced by W. A. Ledbetter of Ardmore.

THE SOUTH.

—A. B. Andrews, Southern special agent of the Sun Insurance Office, has been appointed manager of the South-Eastern Tariff Association.

—Sidney Reinhardt, of I. Reinhardt & Son of Dallas, Tex., who successfully represent as general and resident agents a large number of companies, was in town last week.

—J. Gadsden King, a pioneer Southern insurance man of Atlanta, Ga., died recently. One of his sons is Alexander King of the Atlanta firm of King, Spaulding & Little.

—The National Lumber of Buffalo, which recently entered Georgia, and will shortly make application for admission to several other Southern States, has appointed F. Wade Vaughn of Atlanta its general agent for the South.

MISCELLANEOUS FIRE NEWS.**The San Francisco Chamber of Commerce Report.**

The report of the special committee of the board of trustees of the Chamber of Commerce of San Francisco, on insurance settlements incident to the San Francisco fire, was approved at a meeting of the board of trustees on November 13, 1906, and has since been printed. After discussing historically the great disaster, the report deals with the settlements made by the companies in part as follows:

The account given herewith is based on the tabulation of some 10,000 settlements. Information concerning these has been furnished by the insured, partly upon blank forms distributed by the Chamber of Commerce and partly on coupons printed in the newspapers. Reports on a large number of settlements have been received from the savings banks. This information was supplemented in some cases by personal statements from the companies themselves, a circular letter having been sent to all the companies inviting them to make statements if they so desired.

It was natural to suppose that claimants who would respond to solicitation of this kind would be mainly those who had complaints to make, and that the

information would thus not fairly represent the facts. This did not appear to be the case. A large number of responses were from persons who not merely had no complaints to make, but took occasion to express their appreciation of the courtesy and fair dealing they had experienced; a woman, for instance, having to take her baby with her to an insurance office, was told that the business would be concluded at her home; others told of the pains that the companies had taken to help them prove their claims.

Nor were all the good things said of the companies that were paying their obligations in full. Some companies, while paying most of their large claims at a discount, paid some of their small claims in full to poor people who were suffering for the money. Another company, that has not made settlements in full, paid a widow with several children a policy that had clearly been forfeited.

In the following account of settlements no attempt has been made in general to go back of the actual bare facts. Behind the figures there are a thousand circumstances which have a bearing upon the case, but even if they were all known it would not be best to publish them. The companies have made their settlements, and there the case must rest.

To tell of the brave facing of the situation by some companies, the payment uncompromisingly of large assessments by the stockholders, the suffering caused among the poorer holders of stock, the weakness of spirit in the case of other companies, of those who could best afford to pay, would be nearly as difficult as to tell the story of the individual settlements among the insured.

Neither has any attempt been made to go back of adjustments. As a matter of fact, some companies which paid their adjusted claims in full undoubtedly made very close and tricky adjustments. Furthermore, some companies which are credited with having paid their claims in full, less a cash discount, were unquestionably not above asking occasionally larger arbitrary discounts, but it has seemed impossible to express this fact with the requisite briefness without seeming to do an injustice to their otherwise excellent records.

Payments at first, in general, were on far less favorable terms than later. This was not altogether unreasonable since it was impossible to give the early claims as careful consideration as the later ones. The reason, however, is unfortunately much more easily explained by the fact that the first payments were largely to poor people who were in no position to insist upon anything better, while the same companies later, particularly on committee losses, found themselves unable to refuse more liberal payments.

A few of the companies paid their claims with no discount for cash; most of the companies, however, took a cash discount of 1 or usually 2 per cent, and some times more, if called upon to pay before the end of sixty days. Two per cent was generally recognized to be, under the circumstances, entirely reasonable, and companies paying at this rate were held in practically as high esteem as those that paid in full at once. As a matter of fact, to pay a claim two months before it was due was worth all of 2 per cent; first, because of the difficulty of realizing quickly on securities, but secondly, quite as much because it often happened that during the sixty days additional evidence was obtained upon the claim.

In the following list percentages usually refer to claims adjusted; in case of large discounts, however, the percentages refer to the faces of the policies.

Payments were not due till sixty days after adjustment; payments "in full" or "in full with a cash discount," mean immediate payments, it being understood that in these cases the claim would have been paid in full on maturity.

In some cases figures have been given that have been submitted by the companies. These, however, because of the fact that they have not been made up by the companies in any uniform way do not seem very valuable for comparison.

No attempt has been made to include in this list other companies than those represented in the adjusting bureau, and, as a matter of fact, several of the underwriting agencies, for lack of information, are not reported upon. Nor are reinsurance settlements explicitly considered. Many of the companies which did not pay their direct claims in full paid their reinsurance claims in full, and very properly; the average of all their settlements is thus larger than the average of their direct settlements. The list follows:

Aachen and Munich, settled most of its claims at 75 per cent, but paid 80 to 90 per cent on many claims, particularly committee losses.

Ætna, settled its claims at 100 per cent.

Agricultural, began by discounting at 75 per cent, but later paid mostly in full, less 2 per cent for cash.

Alliance of Philadelphia, paid its claims in full, less 2 per cent for cash.

Alliance of London, same policy and settlements as Commercial Union.

American of Boston, settled its claims at 40 per cent.

American of Newark, began by discounting, but later paid in full, less 2 per cent for cash.

American Central, paid mostly in full with from 2 to 5 per cent discount for cash.

American of Philadelphia, settled its claims at 50 per cent.

Assurance Company of America, settled its claims in general at 75 per cent.

Atlanta Birmingham. The representatives of this company left the State in May. Nothing has been paid up to the present time, although offers of 25 per cent cash and 15 per cent in notes have been recently received.

Atlas, settled its claims in full, and less 1 and 2 per cent for cash.

Austin Fire, settled its claims at from 65 to 85 per cent, largely at about 75.

Austrian Phoenix, denied liability and withdrew from the State, having paid no claims.

British America of Toronto, paid some claims at 85 and 90 per cent, but largely at one-third cash, one-third in six months, one third in twelve months.

Buffalo-American of New York, same settlements as the British America.

Buffalo German, settled its claims in general at from 75 to 90 per cent.

Caledonian of Edinburgh, settled claims at from 75 per cent up to 98 per cent, but largely at about 90 per cent.

Caledonian-American, same settlements as Caledonian of Edinburgh.

California, settled its claims at 100 per cent.

Calumet, certain stockholders subscribed special fund of \$500,000 upon the agreement of a majority of the claimants to accept this settlement, releasing thereby the plant and already existing assets of the company from further claims. The surplus to policyholders at the time was \$375,000.

Camden, involved in San Francisco conflagration only as a reinsurer.

Citizens, settled its claims in full, less 2 per cent for cash.

Colonial Underwriters, same settlements as National of Hartford.

Commercial Union of London, policy contains earthquake clause. Settled its claims at 50 and 75 per cent, according to location. Paid claims of \$500 or less in full and at least \$500 on claims of \$500 or more.

Commercial Union of New York, same policy and same settlements as Commercial Union of London.

Concordia, settled its claims at 75 to 90 per cent.

Connecticut, settled its claims in full, and less 1 and 2 per cent for cash.

Continental, settled its claims at 100 per cent.

Delaware, settled its claims at from 60 to 80 per cent, largely at 75 per cent.

Dutchess, settled its claims at 30 per cent.

Eagle, settled its claims mostly at 75 per cent.

English-American Underwriters, same settlements as the London and Lancashire.

Equitable, involved in the San Francisco conflagration only as a reinsurer.

Federal, settled its claims at from 85 per cent up, but largely above 90 per cent.

Fire Association of Philadelphia, settled its claims at from 75 to 95 per cent; its early claims largely at 75 per cent; its later claims largely at 90 per cent.

Firemans Fund, has paid 20 per cent on claims; has offered to pay 30 per cent more in cash and remaining 50 per cent in stock of company. Claimants have generally accepted this offer.

Franklin, settled claims at from 75 per cent up, largely at about 90 per cent.

*German of Freeport, settled its claims mostly at 60 per cent.

German of Peoria, settled its claims at 50 per cent.

German Alliance, policy contained earthquake clause, which was not taken advantage of. Settled its claims in full, less 2 per cent for cash.

German American, policy contained earthquake clause, which was not taken advantage of. Settled its claims mostly in full, less 2 per cent for cash.

*German National, settled its claims at 60 per cent.

Germania, settled its claims at from 75 to 95 per cent, largely at about 85 per cent.

Girard, settled its claims at from 75 to 90 per cent, mostly at 75 and 80 per cent.

Glens Falls, settled its claims at from 90 per cent up, but mostly in full, less 2 per cent for cash.

Globe and Rutgers, settled its claims mostly at 75 per cent; a few at 90 per cent.

Hamburg-Bremen, settled its claims at 75 per cent.

Hanover, settled its claims at 75 per cent up, largely at about 90 per cent.

Hartford, settled its claims in full, less 2 per cent for cash.

Home, settled its claims in full, and less 1 and 2 per cent for cash.

Home Fire and Marine, same settlements as Firemans Fund.

Indemnity, same policy and settlements as Norwich Union.

Insurance Company of North America, settled its claims in full, and less 2 per cent for cash.

Kings County, involved in San Francisco conflagration only as a reinsurer.

Law Union and Crown, settled its claims in full, less 2 per cent for cash.

Liverpool and London and Globe, settled its claims at 100 per cent.

London and Lancashire, began by paying its small claims in full, less 2 per cent for cash; in June dropped to payments of largely about 90 per cent, coming back finally to 98 and 100 per cent. The company states that its payments have averaged about 93 per cent of the amount of its claims.

London Assurance Corporation, settled its claims in full, less 2 per cent for cash.

Manchester, settled its claims in full less 2 per cent for cash; all policies had been reinsured in the Atlas.

Mercantile Fire and Marine, settled its claims mostly in full, less 2 to 5 per cent for cash.

Michigan Fire and Marine, settled its claims in full, less 2 per cent for cash.

Milwaukee Mechanics, settled its claims at 70 per cent, having taken advantage of the Wisconsin Safety Fund Law.

Nassau, settled its claims at from 70 to 90 per cent, mostly at 75 per cent.

National of Hartford, began by discounting at 75 per cent, later settled nearly all its claims at upward of 90 per cent. The company states that its payments have averaged 94 per cent of the face of the policy.

National Union, settled its claims at 75 per cent up, largely at about 90 per cent.

New Brunswick, settled its claims largely at about 75 per cent.

New Hampshire, policy contained earthquake clause, which was not taken advantage of. Settled its claims in full, and less 1 per cent for cash.

New York, settled its claims at 40 per cent.

New York Underwriters, same settlements as the Hartford.

New Zealand, settled its claims in full, less 2 per cent for cash. About one-fifth of the entire number of outstanding policies contained an earthquake clause; company settled such claims at from 75 to 90 per cent.

Niagara, settled its claims in full, less 2 per cent for cash.

North British and Mercantile, settled its claims in full, less 2 per cent for cash.

North German of New York, has paid nothing; company in the hands of a receiver.

North German of Hamburg, company has denied liability and retired from the State, having paid no claims.

North River, settled its claims mostly at 75 per cent; in a few cases at 90 per cent.

Northern of London, settled its claims in full, less 1 per cent for cash.

Northwestern Fire and Marine, settled its claims in general at from 75 to 85 per cent.

Northwestern National, settled its claims largely in full, less 2 per cent for cash.

Norwich Union, policy contains earthquake clause. Settled its claims at 50 and 75 per cent, according to location. Claims of \$500 or less paid in full, and at least \$500 on claims of \$500 or over.

Orient, same settlements as London and Lancashire.

Pacific Underwriters, same settlements as Firemans Fund.

Palatine, same policy and settlements as Commercial Union.

Pelican, settled its claims in full, less 2 to 5 per cent for cash.

Pennsylvania, settled its claims in full, less from 2 to 5 per cent for cash.

Phoenix of Brooklyn, began by discounting claims at 75 per cent; later settled claims in general at from 85 per cent up to 100 per cent; data furnished by the company indicate that about 75 per cent of the company's liability will have been settled at an average of 98 per cent of the amount of the claims.

Philadelphia Underwriters, settled its claims at from 90 per cent up.

Phoenix of Hartford, policy contained an earthquake clause, which led to settlement of early claims at 75 per cent. The bulk of its claims were, however, settled without reference to the earthquake clause, mostly in full, less 2 per cent for cash.

Phoenix of London, settled its claims in full, and less 2 per cent for cash.

Protector Underwriters, same policy and settlements as Phoenix of Hartford.

Providence-Washington, settled its claims in general at from 90 per cent up, but largely in full less 2 to 5 per cent for cash.

Prussian National, settled its claims at 75 per cent.

Queen, settled its claims at 100 per cent.

Queen City, began by settling claims at 75 per cent; later settled claims in full, giving notes in some cases; the company states that payments on earlier claims have been brought up to the same standard.

Rhine and Moselle, policy contains earthquake clause. Denied liability and withdrew from the State. Claims of \$500 or less have been paid at 50 per cent.

Rochester-German, settled its claims largely at from 90 per cent up.

Royal, settled its claims at 100 per cent.

Royal Exchange, settled its claims at from 75 per cent up, but largely at 85 to 95 per cent.

Scotch Underwriters, same settlements as Caledonian.

Scottish Union and National, settled its claims in full, less 2 per cent for cash.

Security of New Haven, settled its claims largely in full, less from 2 to 5 per cent for cash.

Security of Baltimore, in the hands of a receiver.

Springfield, settled its claims in full, and less 1 per cent for cash.

Spring Garden, settled its claims in general at 70 per cent.

State of Liverpool, settled its claims mostly in full less from 2 to 5 per cent for cash.

St. Paul Fire and Marine, settled its claims mostly in full, less from 2 to 5 per cent for cash.

Sun, settled its claims in full, less 2 per cent for cash.

Svea, settled its claims at from 75 per cent up.

Teutonia, settled its claims in full, less 2 to 5 per cent for cash.

Traders, in the hands of a receiver.

Transatlantic, denied liability and withdrew from the State; no claims paid.

Union of Philadelphia, involved in the San Francisco conflagration only as a reinsurer.

Union Assurance, settled its claims in full, less 2 per cent for cash.

United Firemens, settled its claims at from 75 per cent up, but in general at about 90 per cent.

Victoria, settled its claims in full, less 2 per cent.

* Later: In the hands of a receiver.

Westchester, settled some claims at 75 and 80 per cent, but later paid largely in full, less from 2 to 5 per cent for cash.
 Western of Toronto, same settlements as British America.
 Williamsburgh City, most of its policies contain earthquake clause. Settled claims on these at 50 to 75 per cent, according to location. On such policies paid claims of \$500 or less in full and at least \$500 on claims of \$500 or more. Settled claims on policies that did not contain earthquake clause largely at 95 per cent.

—The Seaboard Fire and Marine of Galveston and the Seattle Fire and Marine of Seattle have entered California.

—Edward Brown & Son of San Francisco are understood to have resigned the Pacific Coast management of the Spring Garden as of January.

—It is stated that J. J. Kenny is retiring from the active management of the British America and the Western of Toronto, and will be succeeded by W. B. Mickle of London, manager of the British and foreign branch of the companies.

—Elsewhere in this number of THE SPECTATOR will be found an advertisement in which 200 shares (or any part thereof) of stock of the New Brunswick Fire Insurance Company of New Jersey, are offered for sale at ninety per cent, or \$22.50 per share.

—The National Board of Fire Underwriters has issued its code of rules and regulations governing slow-burning construction, oil rooms, watchmen, thermostats, general hazards, general protection, stairway and elevator enclosures.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

Experts and beginners in life insurance field work will be interested in the announcement made on another page of the possibilities attending their efforts when working under the system effective in the office of John I. D. Bristol.

Peter Stuyvesant Pillot, inspector of risks of the Mutual Life, has resigned. Mr. Pillot is a cousin of Louis A. Thebaud, son-in-law of Richard A. McCurdy.

During the past week the announcement has been made that Madame Schumann-Heink, the operatic singer, has taken \$100,000 insurance in the Equitable Life, in which company she already holds \$35,000. The new insurance is on the fifteen-year endowment gold bond plan.

BOSTON AND VICINITY.

There has been a rumor abroad to the effect that the Columbian National Life was to discontinue its industrial department, but this is emphatically denied by the company. The company is simply consolidating its various industrial offices in order to reduce expenses.

Frederick E. Keep, formerly of the well-known Boston life insurance firm of Hopkins, Keep & Hopkins, Eastern Massachusetts general agents of the Mutual Life, lately Boston manager of the company, is to retire from the life insurance business December 31. Mr. Keep has been long active in Boston and Massachusetts life insurance circles, and is very highly regarded. His retirement will be regretted, because it takes a prominent figure from the street.

Boston people appear to be much interested in a plan to sell life insurance over the counter, and have contributed \$106,000 towards financing a mutual society to provide insurance "at cost," which is to be written without the aid of soliciting agents. Within a few weeks over \$100,000 has been subscribed to launch the Mutual Society for Direct Life Insurance of Massachusetts, which will apply for a charter when the next legislature meets. The work of organization has been carried on very quietly, and many men well known socially, professionally and financially are among the subscribers. On the list appear the names of Henry L. Higginson, Charles Francis Adams, second; E. D. Codman, Col. Thomas L. Livermore, John P. Reynolds, Jr., Laurence Minot, Louis A. Frothingham, George U. Crocker, Charles G. Weld, William S. Spaulding, Thomas Nelson Perkins, Dr. Franklin G. Balch, Nathaniel H. Stone, Alfred Bowditch, Charles P. Bowditch, Gardiner M. Lane, Ellis Dresel, Allston Burr, W. Amory Gardiner, C. M. Cabot, J. F. Moors, Alexander Cochrane, John Balch, Charles W. Hubbard, Moses Williams, F. S. Eaton and Stephen Codman. This plan of insurance resembles in many respects the plan of Louis D. Brandeis and the Massachusetts Insurance Savings League, but differs in the

essential that it proposes a mutual insurance corporation instead of having the banks handle the business. The Mutual Society may be said to take up Brandeis' idea at the point where he stops, and to issue indemnity in much larger amounts. To furnish insurance at a lower rate it is proposed to secure the co-operation of the larger employers in the State, the labor organizations and religious and social orders, so that convenient places may be had for execution of applications and payment of premiums. Labor unions have been asked to provide for handling the business at their union meetings, and the idea is said to have met with a very favorable reception. Large manufacturing establishments are expected to assist the plan by allowing one of their men to look after the insurance among the employees.

NOTES FROM PHILADELPHIA.

There are suggestions again that a compact is likely to be formed among the plate-glass insurance companies doing business in this city, but it is not generally thought there will be much accomplished in this matter by the local agents, as they have repeatedly failed to come to any agreement. It is said that certain home office representatives of companies have recently been talking very seriously on the subject, and it is believed that relief will eventually come to the local situation through the action of the companies themselves. The slashing of rates here has gone to such extremes that practically all the plate-glass underwriters have come to the conclusion that whatever other changes may be found desirable in the formation of another compact, rates cannot be restored to the basis as provided for in the old manual, although it is hoped by some that certain sections of the city can be loaded to cover excessive losses there.

The management and representatives of the Reliance Life of Pittsburgh are justly elated over the showing of the company for the first eleven months of 1906. The increase in new business over the same period of last year is \$2,425,750.

Many life insurance agents here are worried over the prospect of reduced earnings for 1907, on the basis of the contracts being offered by companies dating from January 1 next.

It is likely that Philadelphia will soon have a company engaged in insuring mortgages on real estate, with all accumulated interest. There is said to be much need of such an institution.

THE NEW ENGLAND FIELD.

Hartford Letter.

[FROM OUR OWN CORRESPONDENT.]

"Steam Boiler Insurance" was the interesting topic of discussion at the regular meeting of the Aetna Life Club this evening, Allan D. Risteen, editor of the Hartford Steam Boiler Inspection and Insurance Company's publication, The Locomotive, addressing the club members at length. The officials and clerical force of the Hartford Steam Boiler, which has its home office in the Aetna Life building, were present by invitation, and the question of steam boiler insurance, losses and adjustments, which is comparatively new to the life insurance employees, was listened to with great attention and elicited numerous intelligent questions of the lecturer of the evening.

Another insurance club, similar to the Aetna Life Club, has been formed by employees of the Phoenix Mutual Life and will be known as the Phoenix Mutual Life Insurance Company Club. Officers have been elected as follows: President, Howard H. Keep; vice-president, Charles E. Johnston; secretary, Harry E. Johnson; treasurer, George A. Reynolds; executive committee, Samuel H. Berry, Albert C. Bill and Sigmond Dormitzer. A constitution and set of by-laws will be drafted by a committee appointed for that purpose and adopted at a second meeting to be held soon. Regular meetings will be held, like the Aetna Life Club, and experts will be invited to speak on various subjects. Charles E. Johnston, who was chosen vice-president, was the first instructor at the Yale insurance course of lectures.

Hartford, Conn., December 18.

UNDERWRITER.

—The editor and proprietor of The Insurance World, J. C. Bergstresser, has the heartfelt sympathy of the insurance and journalistic fraternities in the loss he has sustained by the death of his wife on the 5th inst.

THE WEST.

The Pacific Mutual Life Insurance Company.

John F. Roche, second vice-president of the Pacific Mutual Life of Los Angeles, while in New York last week stated that the company would definitely withdraw from New York, so far as its life business was concerned. This action is made necessary by the limitations of the Armstrong laws, as a full compliance therewith would render it difficult for the company to profitably and successfully compete with the one hundred companies located in different sections of the country and not amenable to the New York statutes. The company has more than one hundred millions of life insurance in force and is waging an active campaign for new business.

It is the intention of the company to continue its accident and health business in New York, provided the Insurance Department will license the Pacific Mutual Life to write that class of business alone. Should such a license not be forthcoming the Pacific Mutual Indemnity Company will be entered and will take over the existing accident and health business in New York. This latter company has been organized with a capital of \$100,000 and \$25,000 surplus for just such a contingency, but will be operated as a separate company only in those States where the life and accident branches cannot be combined under one charter.

Anti-Rebaters Cannot Agree.

The life insurance men of Chicago who have been trying to organize against rebating practices have not been very successful. Various plans have been discussed and rejected so that now the harsh statement is made that "almost any plan which will not be too effective or will be so stringent that it cannot be enforced seems to meet with some favor."

—The Illinois Life is preparing an entirely new set of non-participating contracts.

—On January 8, at the fortieth annual meeting of the Equitable Life of Iowa, President F. M. Hubbell will retire.

—The Knights of Honor of St. Louis is to be examined by the Minnesota and Missouri Insurance Departments. The order has been tardy in its claim payments of late.

—E. R. Thomas of Bloomington, Ill., has resigned as agency director of the New York Life, and will locate at Oklahoma City. Mr. Thomas has not announced his plans for the future.

—The Western Union Life of Spokane, Wash., expects to start by the beginning of the new year with 1000 stockholders scattered over the State and \$5,000,000 insurance on its books.

—Ira B. Smith, of the wholesale grocery firm of Smith, Thorndike & Brown, has been elected a member of the executive and finance committees of the Northwestern Mutual Life, succeeding B. K. Miller, Jr., resigned.

—The president of the Northwestern Mutual Life has addressed a circular letter to all the company's agents, in which he severely criticises many statements made in the recent report of the Wisconsin legislative commission on insurance.

—After a week of discussion behind closed doors, the Iowa insurance commission agreed to oppose the deferred dividend and the needless accumulation of surplus, but will not prohibit the use of this form of contract at this time, fearing such action would hurt the Iowa companies.

—Thomas J. Tingle has been appointed general agent of the Connecticut Mutual Life at Columbus, to succeed J. L. Anderson, who resigned to enter the manufacturing business at Delaware, Ohio. Mr. Tingle has been connected with the company at Cincinnati, and has had a long experience in the business.

—Among the changes that have occurred in Toledo among the life men as a result of the New York law are the following: Frank Trowbridge has left the Equitable and gone to the Northwestern Mutual of Milwaukee; R. E. Furgeson has left the Mutual Benefit for the Michigan Mutual of Detroit; Adolph Deitrich has left the New York Life to enter the cigar business, and Charles Vogel has left the New York Life to go to the Metropolitan.

THE SOUTH.

Greensboro Life to Build Home Office.

The Greensboro Life Insurance Company of Greensboro, N. C., will erect a building for its exclusive use. It has just acquired a piece of property at West Washington and South Green streets in its home city and the plans for a commodious and well-designed building are now under way. While the company is less than eighteen months old, its growth has been of a remarkably solid nature, due to a systematic plan of development. Its secretary, E. Colwell, Jr., is a most efficient field manager and his efforts are ably seconded by I. Smith Homans, the

company's actuary, who keeps the office work well up in point of efficiency. With these two essential points well looked after the success of the company is readily explainable.

A Proposed Southern Merger.

The Organizing and Financing Company of Raleigh, N. C., has for some time had in contemplation the organization of a life company. This plan has now been abandoned and an offer has been made to the North State Mutual Insurance Company of Kinston, N. C., by which it is proposed to unite the two companies. The North State management is said to have decided to increase the company's capital from \$50,000 to \$100,000, half the increase to be taken by members of the Organizing and Financing Company and the remaining \$25,000 to be sold at 110.

—The Federal Life of Chicago is expected to enter several Southern States within a short time.

—Frank M. King, formerly of Wisconsin, is trying to interest capitalists in San Antonio, Tex., in the organization of a life company.

—The Standard Mutual Benefit Association of Charleston, S. C., has just received a commission. The concern is to do an industrial life business. W. W. Beckett is among the promoters.

—Loren B. Williamson, Kentucky and Southern Indiana manager for the Home Life of New York at Louisville, has resigned to become Kentucky manager of the Aetna Life in its life department, succeeding J. C. Davidson, who retires to engage in other business.

—The State Mutual Life of Rome, Ga., reports total business written during 1906 up to December 1, \$25,876,500; insurance in force, \$21,481,250; average gain per month, \$1,607,840. State production during 1906: Alabama, \$8,794,250; Georgia, \$7,951,500; South Carolina, \$2,165,250; Texas, \$1,633,500; Tennessee, \$1,358,450. Total business received in November, \$4,392,500.

MISCELLANEOUS LIFE NEWS.

Metropolitan's New Industrial Policies.

In a letter addressed to the field force of the Metropolitan Life, President John R. Hegeman makes announcement of important changes in the industrial policy to be issued after January 1 next, on both infantile and adult forms. As a preliminary he points out the success the company has met with in reducing expenses, improving the death rate, bettering the policies and distributing the surplus. The death rate experience in its improvement shows some really startling results and particularly on the lives of children. The experience of 1890-94 as contrasted with that of 1901-05 shows reductions as follows: Deaths per thousand, age two next birthday 49.3 reduced to 34.7; age three, 32 to 22.5; age four, 21.5 to 13.2; age five, 16 to 9.5; age ten, 5.5 to 3.4; age twenty, 10.5 to 7.1; age thirty, 15.7 to 11.1; age forty, 19.3 to 14.3. After announcing that the increasing life and endowment at age eighty plan will be abandoned in favor of all policies paid up at age seventy-five, the circular says:

The most striking change is in the infantile table, because there we substitute life tables with payment of premiums limited to age seventy-five for our comparatively short increasing endowment tables now in use; and are therefore enabled to pay in benefits what we have been compelled to hold as reserve liability upon the endowment features.

Our new infantile tables will pay nearly as much in death benefits for a weekly premium of 5 cents as we have heretofore paid for a weekly premium of 10 cents. It is of course understood that the law fixes a maximum of benefits payable upon children and this we cannot exceed. We have, therefore, increased the benefits at the later ages for persistence. Thus at age two at entry the benefit in case of death at age nine is \$173, while the benefit at age three at entry dying at age nine is \$169, and the benefit at age four at entry dying at age nine is \$165, and so on. This is a recognition of the additional years for which premiums have been paid by those entering at earlier ages when death occurs at the same age. It follows from this large increase of benefits for 5 cents that hereafter no policy will be issued under the infantile tables for a total premium of more than 5 cents. And to meet a desire for less insurance, especially in large families, we have a table with proportionate benefits for a weekly premium of 3 cents.

Our adult tables show an increase of benefits for the same premium based strictly upon our tables of mortality. At age ten the increase is 12½ per cent over our present life table and nearly 18 per cent over our increasing life and endowment table. At age twenty the increase is over 9 per cent and over 23 per cent, respectively; at age thirty the increase is nearly 6 per cent and nearly 20 per cent, respectively; at age forty the increase is 2 per cent and over 13 per cent, respectively, and so on. And in comparing these tables with our present whole-life tables (and with those of most of the other industrial companies) it must not be forgotten that these old tables provide for payment of premium during the whole of life, while under our new tables payment of premiums ceases at age seventy-five.

We have adopted other tables. One is for sub-standard lives based

upon our own experience for less benefits at death but payable as endowments at age eighty. The other is a twenty-year endowment table to meet special demands mainly from Canada and Northern New England. Here the benefits upon children are fixed so relatively high that we cannot afford to pay special salary upon them until fifteen weeks' premiums have been received.

We have increased the immediate benefits under all of these policies in accordance with the rule we made retroactive this year, to half-benefits during the first six months and full benefits thereafter.

We have introduced into all of these policies new features in the way of surrender values. Paid-up policies will be granted after three years instead of five; extended insurance will be granted after three years at the option of the holder; and cash surrenders will be paid after ten years. The policies will be in new and attractive forms with three pages instead of two, in order to set forth all of the concessions, making the rights of the policyholders so plain that anyone will be able to tell what he is entitled to. And the whole contract will be expressed in the policy, doing away entirely with the necessity of a copy of the application, using the form in this respect for all policies which we adopted many years ago for policies under \$300.

Life Insurance Developments of the Week.

Otto Kelsey, Superintendent of Insurance of New York State, held a meeting in this city last week to make preparations for the election of directors and trustees of the Mutual Life and New York Life, the balloting for which closed on Tuesday. All the various opposing forces were represented at the conference. Mr. Kelsey said that he would send five deputies to each of the companies to act as election officers and when the count was begun a large force of canvassers would be provided. It was also arranged that as many challengers would be allowed to each committee as there were tables for counting the votes, or about ten to fifteen watchers for the opposition committees. Mr. Kelsey said that he would take personal charge of the election.

The election for trustees on Tuesday brought out some 440,000 votes in the New York Life, and 345,000 in the Mutual. All indications point to large majorities in favor of the administration tickets, but Mr. Untermyer still claims everything in sight, believes that the policyholders have been bamboozled and threatens to drag the matter through the courts.

Immediately following the conviction of George Burnham, Jr., of the Mutual Reserve Life, the bail of Frederick A. Burnham, president of the company, and Geo. D. Eldridge, vice-president, was raised from \$12,500 to \$20,000 in the case of Burnham and \$15,000 for Eldridge. There was much opposition to the increase, but Justice Greenbaum finally decided that these amounts would have to be obtained.

On Monday, George Burnham, Jr., was sentenced to two years in State prison at hard labor. After sentence was passed counsel for Burnham asked for a stay of execution until to-day, in order to apply for a writ of error. The stay was granted.

The Prudential Announces Improved Industrial Contracts.

Under date of December 15, President John F. Dryden of the Prudential announces a number of important changes in the industrial policy forms of that company, which may be summarized as follows:

1. Policies will provide that no further premiums will be required after the insured has attained the age of seventy-five, thus giving a certainty of ultimate relief from premium payments to those who live to old age.

2. Largely increased benefits at all younger ages, while on the infantile table in the early years the benefits will be doubled, or in other words, the same benefits will be given at certain ages for a 5-cent premium as were formerly given for 10 cents. For instance, at age two next birthday, for a 5-cent premium, the benefits will be as follows: If death occur within six months, \$12.50; if death occur after six months, \$25; if death occur after one year, \$34; if death occur after two years, \$40; if death occur after three years, \$48; if death occur after four years, \$58; if death occur after five years, \$70; if death occur after six years, \$110; if death occur after seven years, \$145; if death occur after eight years, \$173.

At age five the benefits for 5 cents will run from \$24 in the first six months to \$160 on attaining age ten, at which amount it will remain for the rest of life. At age seven the benefits will run from \$35 to \$150. This large increase in benefits will prevent the issuance of any ten-cent infantile policies.

In the adult ages there are also large increases. For instance, at age ten the benefit for 5 cents will be \$135; at age twenty it will be \$95; at age forty it will be \$51. At the high ages the benefits will be slightly smaller than heretofore, but this is made necessary by the fact that premiums will terminate at age seventy-five.

3. Policies will be in one-half benefit the first six months and in full benefit thereafter.

4. Policies will provide for paid-up values after three years, including infantile policies.

5. Policies will provide for liberal cash surrender values at the end of ten years and thereafter, tables of which will be printed in policies.

6. Three-cent policies will be issued at all ages, both infantile and adult, the benefits under which will be proportionate, or three-fifths of

those granted for a 5-cent premium. The advantages of these policies are obvious.

7. A twenty-year endowment policy will be issued at ages from ten next birthday to fifty-five next birthday. The benefit at age ten, for a 5-cent premium, will be \$42; at age twenty the benefit will be \$39; at age thirty it will be \$37, and so on. This policy will be in one-half benefit the entire first year.

8. Owing to the increased liberality of these changes, all policies will be non-participating.

These changes will not be made retroactive, and it will be evident to you that such a step would be impossible, owing to the fact that the old business was obtained under less favorable conditions than have been planned for in the case of the new. The additional benefits and cash dividends, however, provided for in the old policies will be continued.

We will still continue to issue the infantile limited-payment life and endowment policies, but present regular infantile and adult tables will be discontinued.

An Association of Life Insurance Officers.

Following is a copy of the letter sent out by Paul Morton, president of the Equitable, to the executive heads of a majority of the life insurance companies operating in New York:

I am impressed with the lack of co-operation among the large life insurance companies, and respectfully urge that we meet and discuss a plan of an organization the objects of which shall be:

1. To promote the welfare of policyholders.
2. To advance the interests of life insurance companies in the United States by the intelligent co-operation of officers in charge.
3. To prevent extravagance and reduce expenses by encouraging uniformity of practice among life insurance companies in matters of general administration.
4. To consider carefully measures that may be introduced from time to time in legislative bodies, with a view to ascertaining and publicly presenting the grounds which may exist for opposing or advocating the proposed legislation, according as the welfare of the companies and their policyholders shall point to the one course or the other.
5. To consider anything that may be suitably a matter of general concern to the life insurance business.

If you agree with me that such an organization is necessary and are willing your company should become a member, I will be glad to call a meeting as early as possible to further consider the matter.

Personally, it seems to me that much good can be accomplished by more co-operation between insurance companies.

Casualty, Surety and Miscellaneous

Workmen's Compensation for Injuries

Now that this subject has received additional importance from the President's reference thereto in his recent address, it becomes of interest to all the companies writing liability insurance, for, unless history fails to repeat itself, we may expect to see one State after another fall into line and enacting some form of legislation, giving all employees in manual labor indemnity for accidents incident to their occupation, unless caused by serious or wilful misconduct of such employee.

In several States an employers liability law has been in force, and the experience has been no more satisfactory to the employee than the same law in England, for the question of negligence is difficult of legal proof, and the expense attendant upon trial in court has defeated, in many cases, the intention of the law.

It is readily appreciated that the States are slow to inaugurate this new legislation, for as soon as passed the contractual relations between employer and employee undergo a vast change and a tax is put upon the cost of all production, which would prove a serious handicap in the inter-State commerce against a neighboring State where no such law existed.

The employer is very sensitive of any influence tending to disturb the regular working days of the employees. Unless he can, with some degree of certainty, rely upon the production of his help, he cannot carry out his contracts to deliver goods on time. The supply and quality of labor has not been, at all times, equal to the demand, and in any legislation giving compensation for injuries from any cause during occupation, it will not be safe to pay any employee more than one-half his regular wages during disablement. Any amount paid regularly in excess of half wages results in malingering and disturbance of the employer's business.

Under the English law, an employee cannot proceed at the same time under the compensation act and the employers liability or common law, but he may proceed under the employers liability or common law, and, in the event of failure, obtain redress under the compensation act. It seems desirable that, where an employers liability act is at present in force, the passage of a workmen's compensation act should repeal it,

thus limiting the recovery under the compensation act or common law only.

The passage of a workmen's compensation act practically insures to the employee the payment of half wages during disability and a fixed amount in case of death, and thus removes the necessity for paying to benefit societies any contribution to this end.

While the number of cases falling for settlement under the workmen's compensation act may be five or six times in excess of those under employers liability and common law, it does not necessarily follow that litigation will increase.

It is the intention of the law, at all times, to increase the safety of the employee by surrounding the operations by the usual safeguards, but the employer, as a rule, neglects to provide the protection required and will take his chances of being sued in the event of accident, feeling confident that his insurance policy will hold him harmless. The passage of a compensation act is not expected to have any beneficial effect on the safety of the employees, for the employer has no more inducement to exercise more care, while the employee feels more protection in the event of accident and is therefore disposed to be less insistent upon the requisite safeguards.

As to the economic question of cost, the rate required for insurance will naturally be dependent upon the actual compensation given by law, but if the benefits be one-half the weekly wages for temporary disability and a fixed sum at death equal to one or two years average earnings prior thereto, the cost will vary from one per cent to four per cent of the wages, and to this extent will become a tax upon production to be defrayed by the consumer.

It must not be forgotten that the English compensation act pays nothing for accidents disabling for less than two weeks, thus eliminating about fifty per cent in number of all accidents happening, but only twenty per cent in amount.

A very important feature for the insuring company to bear in mind in fixing any table of rates will be the expense of administering claims under any compensation act. So many small amounts are constantly being paid, not in one lump, but weekly, so that the clerical force to audit the outgo will increase the labor twenty-five per cent in the claim department. It is assumed that the common-law remedy will require the same investigating of serious accidents, even if any employers liability act be repealed.

It may be a source of regret that the companies having an experience of over twenty years of liability insurance, which has enabled them to agree upon a proper reserve for losses, should have to face a new condition, but it may be forced upon them very rapidly, and when it comes it will be necessary to cancel all existing contracts, or continue the same for an additional premium. The change will mean a large additional premium income for the companies, while the losses will be certainly more immediate and analogous to the personal accident, or, so-called, workmen's collective losses.

The labor organizations, which, owing to unexampled national prosperity, were never more powerful, may be relied upon to see that any law so advantageous to the employees will be pressed in the various States during the present sessions of the legislature.

Teams Liability Insurance.

The president of a leading company writing casualty insurance recently gave utterance to a statement concerning the unprofitableness of teams insurance. It is evident there is sufficient cause to justify the remark by one company at least, on account of the unofficial announcement of a fifty per cent advance in rates applying as to new and old business in the near future. This ruling, if adopted by all the companies, will cause more or less uneasiness among policyholders and brokers. The question of the moment is, will an increase in rates satisfy all demands or would the reconstruction of the principles governing underwriting be the more logical way of arriving at the root of the evil?

Within the last five years conditions in the cities have so changed that the time has arrived when the question must be met squarely and action taken to place the business on a profitable basis, otherwise relegate it to the "prohibited list." Density of population has increased at an alarming rate, and, according to public print accidents keep pace with the onward rush of human life to the cities.

Companies have many things to consider, trifling they may seem, but of great assistance when accepting a contract for teams insurance. The following are a few of the many questions which are of paramount importance: Places where vehicles are used; moral or physical condition of the risk; age of drivers; nationality, experience and compensation paid.

The question of properly classifying and rating this class of business has agitated and confounded the minds of liability underwriters for

years, and to-day it is more complex and mystifying than at any previous time. The grocer or butcher who uses his wagon a greater number of hours than the baker or milkman should be required to pay a higher rate for hours of service. The owner of a truck handling structural iron and the safe mover should pay an increased rate over the owner employing ordinary trucks for the transportation of merchandise.

The companies should discriminate as to rates between owners of vehicles according to the sections of the city in which they ply their trade, the congested territory taking a higher rate than the sparsely settled section of the city. Again, the owner employing experienced and well-paid drivers should receive consideration in matter of rate over the owner employing cheap and incompetent help. In determining the adequacy or inadequacy of rates, the basis upon which premium shall be based should be of primary importance. The policy contract of a certain company contains a condition relating to the adjustment of premium, either upon the compensation paid to drivers or upon the number of vehicles owned. This latter proposition seems to be a fair one, particularly applicable to the majority of contractors and truckmen who do not keep intelligent payroll accounts. The matter of premium adjustment on wages expended has been demonstrated in a manner to prove that it is unsatisfactory, and that if the companies are to receive the premiums to which they are justly entitled, a new basic rate must be established. Speculation is rife in the street as to the proper basis upon which teams policies should be written, a basis that will satisfy policyholder and company alike, a basis that will be acceptable to and adopted by all the companies writing this class of business.

Automobile demonstrating policies are written covering a specified chauffeur. He is entitled to the use of any make, type and horse-power machine. Teams policies might be written in the same manner. As drivers change the company should be notified, so that during any period of the policy the insured and company would have an accurate statement as to the names of drivers employed. If, on the other hand, drivers are changed frequently, it might be possible to cover the vehicles by number, placing a small stenciled plate on the vehicle. Either of these methods is preferable to the present payroll system of determining the actual number of drivers employed.

Again, the question of hired teams is giving the companies food for thought. A teams policy reads "Covers horses and vehicles while in the service of the assured." One of the questions asked in some of the companies' blanks reads "How many horses and vehicles are owned?" As the proposal is made a part of the policy how shall the matter of hired teams be construed? The policy should expressly state that hired teams are or are not covered by the policy in order to prevent trouble in case of accident or obtaining an accurate statement of wages expended.

During the life of the conference, teams rates were increased constantly. Ten years ago the ordinary grocer or butcher wagon was rated at \$7.50 to \$10. To-day the rate is \$20. This advance applies proportionately to all classes of vehicles. On account of the steady increase in rates and the increased business of the insured, the companies found their loss ratio rising without any apparent increase in actual drivers employed or premium income. A payroll auditing bureau was inaugurated for the purpose of obtaining figures direct from the policyholder instead of accepting signed statements. Little time was consumed in unearthing huge frauds, hence reason for extending auditing to all classes of the business.

The hour is at hand for concerted action. Will all the companies avail themselves of the opportunity? Possibly not, for the reason that agreements have been entered into only to be broken. The once wise are now wiser and stand firm in their attitude not to take any part in the proposed movement, preferring the position of spectator to that of principal.

United Surety Affairs.

One of the reports in connection with the United Surety Company is that the Retail Liquor Dealers Association of New York was trying to buy up the company. Having failed in this, it purchased 500 shares of stock and through this holding are said to have acquired a contract to represent the company for excise business in New York State. This contract is held by M. E. Farley, president of the association, and C. J. Reilly, chairman of the committee on excise bonds. The Standard Surety Company, which was reported to be in process of organization some time ago, was an effort on the part of the liquor men to get away from the rates charged for this class of business by all the existing companies. Robert Garrett and Stuart S. Janney have resigned from the directorate, it is said, because of dissatisfaction over the resignation of W. G. Hoffman as president.

Discuss Teams Liability.

Last week the companies writing teams liability met in the New York office of the Fidelity and Casualty, in response to a call by President Seward of that company, to discuss various means by which this line may be placed on a more business-like and profitable basis. President John T. Stone of the Maryland Casualty acted as chairman and Frank E. Law of the Fidelity and Casualty as secretary. The other companies represented were: Travelers of Hartford, Aetna Life of Hartford, Ocean Accident and Guarantee, Employers Liability, General Accident Corporation, United States Casualty, London Guarantee and Accident, Casualty of America, New Amsterdam Casualty and Frankfort Marine, Accident and Plate Glass.

Reports by the several companies showed heavy losses, and it was finally decided to appoint a committee of four to gather the experience and put it in such shape that proper rates can be arrived at.

The Danvers Bank Case.

The National Surety is involved in a suit with the Danvers Savings Bank of Boston on a bond of \$20,000 covering the late treasurer of the bank, A. F. Welch, who is said to have misappropriated \$23,000 of the bank's funds. The suit is to recover \$14,122, the difference, according to the admission of the bank, having been taken by Welch prior to the execution of the bond by the National, which contends that Welch made misrepresentations to secure the bond and that the bank officials must have known of these misrepresentations at the time. After Welch died, in 1902, the shortage was discovered and the deceased's widow turned over \$3000 in settlement.

Casualty Notes.

—The American Physicians and Surgeons Accident Association has been organized in Mansfield, Ohio, by Dr. John M. Burns, to insure only physicians, surgeons and dentists.

—Thomas H. Schwartz, formerly business manager of The Insurance Press, has been appointed agency superintendent of the Great Eastern Casualty, the appointment to go into effect January 1.

—The casualty company, which has been under way for sometime in Ohio, was formed last week and will be known as the Ohio Casualty Company. Tod. B. Galloway, W. D. Brickell, C. E. Richards, Frank R. Shinn, O. R. Farrar, R. Grosvenor Hutchins and John R. Horst are the incorporators. The company will have a capital of \$100,000, of which over \$60,000 has already been subscribed, and will do a general casualty and liability insurance business.

—Following the recent announcement that changes were about to take place in the New York office of the Aetna Life, Geo. G. Wetzel has been appointed superintendent of the liability underwriting department, and Charles Phelan, superintendent of the personal accident department. Mr. Wetzel has been engaged in this line of work for thirteen years in New York city; four years with the Travelers as bookkeeper; four years with the Maryland as cashier, from which position he went to the Aetna as counterman. Mr. Phelan entered the service of the Maryland shortly after the company began business in 1898 where he remained for two years, coming to New York in 1900 as cashier in the New York office. In 1902 he entered the service of the Aetna. Both these gentlemen have worked together continuously for seven years and understand each other perfectly. Much may be expected as a result of these appointments.

Surety Notes.

—The Federal Union Surety will increase its 1906 premium income over that of 1905 by more than fifty per cent.

—The United States Fidelity and Guaranty Company of Baltimore has issued its year book of surety sayings for 1907. It is a complete diary, bound in cloth, with a wise saying for every working day in the year. We extend our thanks for a copy.

TOO LATE FOR CLASSIFICATION.

—W. B. Allen, agency manager of the Greensboro Life, has resigned.

—The Ozark Mutual of Fort Smith, Ark., has suspended business.

—Carl M. Erdman has been appointed branch manager for the Aetna Indemnity at Des Moines.

—D. Davega Cohen, third vice-president and general manager of the American National Life of Lynchburg, Va., has resigned.

—The new German Union Fire of Baltimore will occupy the second floor of the Raine building at Baltimore until its new building is completed at 417 East Baltimore street. T. Tilston & Co. of New York city have been appointed

representatives for New York city. Mr. Tilston will plant agencies in New England and Pennsylvania.

—Frederick W. Potter of Albion, Ill., has been appointed State Superintendent of Insurance to succeed William R. Vredenburg, as of January 1.

—E. S. Tuttle, formerly manager for the National Surety at St. Louis, has been appointed superintendent of the surety department of the Peoples Surety Company.

—William Wood, general manager of the Surplus Line Association of Chicago, has been appointed general manager and secretary of the Cosmopolitan Fire of New York.

—The North American Life Insurance Company will be incorporated in New Jersey this week, with headquarters in Newark. The capital is to be \$200,000, surplus \$150,000, and the company is being promoted by New York Life men. It is said that John T. Boone, an inspector of the New York Life in New York, is to be president, and Lee B. Durstine, vice-president and general manager. John McNamara of Chicago will be field manager, and Laurence Priddy of New York will also be connected with the field management. The company expects to begin writing about February 1, 1907; only non-participating contracts to be issued.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Allegheny Fire Insurance Company, Allegheny, Pa.

The stockholders of this company have unanimously voted to increase the capital stock from \$100,000 to \$200,000.

American National Insurance Company, Rock Island, Ill.

A new stock fire company to be known by the above title is being organized, to have its headquarters at Rock Island, Ill., with a capital stock of \$200,000 and a surplus of \$50,000. M. P. Vore, formerly assistant manager of the German National of Chicago, is to be secretary and manager. H. H. Cleveland of Rock Island, secretary of the Illinois Association of Local Fire Insurance Agents, is also interested in the new company.

Atlanta Birmingham Fire Insurance Company.**Prudential Insurance Company, Atlanta, Ga.**

Judge Pendleton of the Superior Court at Atlanta, Ga., recently ordered the transfer of the litigation over the affairs of the above-named companies to the United States District Court. Judge Newman, in the Federal Court, named A. C. Sexton of Montgomery and J. T. Dargan, president of the Atlanta Birmingham, as coreceivers of the two companies. John Slaton was appointed special master to take evidence in the case.

Eagle Fire Company, New York.

A special meeting of the stockholders of this company has been called for December 31 to take action on a proposition to reduce the capital stock from \$600,000 to \$300,000 and to transfer the difference to surplus.

Florida Home Insurance Company, Marianna, Fla.

Arrangements have been completed by which the Florida Home of Marianna, Fla., expects to commence business on January 1. It will have a capital stock of \$200,000 and a like amount of surplus, and intends to operate as a board company in Florida, Georgia, Alabama, North and South Carolina and Mississippi. The officers are: John H. Carter, president; W. H. Milton and Moses Guyton, vice-presidents; H. P. Mulkey, secretary and treasurer.

Peoples Fire Insurance Company, Philadelphia.

A new stock fire company to be known as the Peoples Fire is now in process of organization at Philadelphia. It is being promoted by the Corporation Finance Company, of which Ira A. Manning is president.

United Firemens Insurance Company, Philadelphia.

The last payment has been made on the increased capital of this company, adding \$100,000 to capital and \$100,000 to surplus.

Western Assurance Company, Toronto, Canada.

A special meeting of the stockholders of this company has been called for December 27, to consider a by-law providing for the issue of \$1,000,000 6 per cent preferred stock in lieu of the \$500,000 of the company's capital, which was authorized at a special meeting of the stockholders, held in July last. It is proposed to make the preferred stock issue redeemable by the company, when its financial condition will permit, and restore the ordinary stock to its present standing.

FOR SALE.**NEW BRUNSWICK FIRE INSURANCE CO. STOCK**

Any part of 200 shares at 90%, or \$22.50 per share.

H. W. HOLLY,

NO. 1 BROADWAY, - - - NEW YORK CITY.

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No. 26.

IT must be very aggravating, after the first feeling of astonishment has subsided, for the members of the New England Insurance Exchange to be expected to treat seriously some of the alleged arguments advanced by the State Business Men's Association of Connecticut in its effort to obtain lower fire insurance rates. As usual, the merchants view the fire insurance business in a distorted light; and while, in this particular instance, they do admit that expenses do not constitute profit, they fail to make any allowance for the large increase in liabilities during the period under discussion, assuming that all the difference between premiums received and losses and expenses paid is profit. The document prepared by the association's committee quotes some of the dividend rates of companies taken at random, and says:

The paying of these dividends is certainly an odd way to build up the reserve. In addition to the large dividends paid, the surplus accumulated up to December 31, 1905, was equal to 205 per cent of the capital.

Where is this surplus now? Gone! Paid to San Francisco policyholders! And the stockholders of the American companies interested have contributed over \$30,000,000 since April last, from their private funds, in order that the remaining policyholders may have safe insurance. Knowing nothing as to the standing of the parties constituting the protesting association, we nevertheless doubt very much if the stockholders of many corporations among their number would, in the event of such corporations becoming suddenly overwhelmed with debt to an amount exceeding their capital and surplus, contribute money from their private purses to meet such obligations. It is more probable that creditors would have to take their chances with the existing assets. Few, however, of the fire insurance companies "laid down"; their stockholders bravely stepped into the gap and contributed largely in order to rehabilitate their companies. As to the matter of profit, if the Connecticut merchants really believe the fire insurance business is unduly profitable, let them sell out their other businesses and put their funds into fire insurance—there is an ample demand for considerably more insurance than is now obtainable from reliable companies. But, as it is altogether likely that they are making much larger percentages of profit in their own lines than they accuse the

fire insurance companies of reaping, and without the imminent possibility of the loss of all their assets over night, we do not anticipate any great influx of fire insurance capital from this source.

* * * * *

The committee makes the ingenuous suggestion that an insurance commission be created, to consist of one active merchant, one active manufacturer and one insurance official (retired preferred), to act as a board of appeal and to determine finally what is a fair rate in disputed cases. We fear that the opinions of the active merchant and manufacturer would frequently be opposed to the judgment of the insurance official ("retired preferred"), even if the latter, perhaps in the "retired" class and chiefly interested in drawing his salary as commissioner, displayed the energy and inclination to insist upon giving the insurance companies a "square deal." The commission might discover that fixing so-called "fair rates" and obtaining insurance at such rates, are entirely different propositions. "You can lead a horse to water, but you can't make him drink."

ONE of the most interesting papers read before the recent annual meeting of the International Association of Fire Engineers was that by E. S. Hand, upon the subject of "The Vertical Fire Hazard." After defining the vertical fire hazard as "that condition or feature of building construction which permits fire to spread more readily in a vertical than in a horizontal direction," Mr. Hand graphically portrays the dangers arising from the opportunity for the rapid spread of fire afforded by unprotected, or improperly protected, vertical openings. He advocates the use of wired glass in many situations, and the printed copies of his paper carry illustrations of some of the practical ways in which wired glass may be used in the interest of safety. It is undoubtedly true that there are numerous danger spots in most mercantile and manufacturing buildings, from which a considerable element of hazard could be eliminated by the judicious use of wired glass (in metallic frames) and other fire-resistive materials. It is likewise true that the net expense to propertyowners of reasonably protecting vertical openings, after allowing for the credits granted by the underwriters, would be relatively light. It is to be hoped, therefore, that an ever-increasing number of owners of business buildings will adequately protect the vertical openings in such structures, thus decreasing the chance of fire loss to themselves as well as reducing the conflagration hazard of their respective localities.

THE balloting for trustees in the Mutual and the New York Life terminated on Tuesday of last week. There were approximately 440,000 votes cast in the New York Life and 345,000 in the Mutual. These elections excited widespread, even international, interest, and were commented upon during the campaign by the press of the country as though they were of as much importance as the result of a State election in New York. The International Policyholders Committee spared no effort to defeat the administration nominees and secure the election of trustees of their own selection, resorting to every trick and device that could be invented by shrewd lawyers and

politicians to compass their ends. Misleading and false statements were given out by the Untermeyer-Scrugham-Lawson combination almost daily, and it has been a matter of surprise the extent to which the daily papers have favored this attempt to overturn the tried and successful management of these great financial and beneficial institutions. While they printed daily interviews with Scrugham or Untermeyer, and reproduced in their columns all the misstatements they chose to make, they were extremely reticent as to the rights of the other side. The companies were given small space to reply to these attacks, but were treated more like criminals brought to bay. In fact, the daily press seemed to be a part of the combination to discredit the present trustees in the eyes of policyholders and to secure their defeat at the election. But the ballots are all in, the polls closed, and the excitement of the election campaign gives way to a desire to know the result. While it is confidently assumed that the administration tickets in both companies have been elected by a very large majority, it will be a week or two before the inspectors will be able to make an official determination of the fact. Untermeyer and his associates are interposing every possible obstruction to a speedy count of the ballots, protesting against the acceptance of certain ballots and proxies, and striving in every way to embarrass and delay the work of the inspectors. It is presumed that they are, by these protests, seeking to lay the foundation for court proceedings to prevent the administration trustees from assuming the duties to which they are undoubtedly elected. In the progress of the campaign the officers of the companies have pursued a dignified course, performing the work assigned to them by law in a businesslike and lawful manner. They have sought to secure the election of the administration nominees, but have employed only legitimate means to that end. They have avoided newspaper controversy as far as possible, replying to the misrepresentations of the Untermeyer gang only when pressed to do so by interviewing reporters. Fortunately for the best interests of life insurance, these elections are over, and it is safe to assume that the present administration of these companies will be continued. All persons interested in the subject of life insurance can devote their time and energies in the future to the legitimate work of advancing the prosperity of the companies with which they are identified.

THE announcement that Secretary of the Treasury Leslie M. Shaw is to succeed Charles A. Peabody as president of the Mutual Life in March next, when Mr. Shaw will retire from the Treasury Department, is certainly premature. The statement is to the effect that "Wall street interests," identified with the Mutual, have suggested to Secretary Shaw that he could have the presidency if he would accept it, and that Mr. Shaw "has the matter under advisement." The president of the Mutual is chosen by the trustees of that company, and until the result of the recent election of trustees is officially announced, the names of the gentlemen who will make the selection are unknown, and consequently there could have been no authorized tender of the presidency to Mr. Shaw or anyone else. Possibly some person who thinks he has a "pull" has been talking of a successor to Mr. Peabody, but that gentleman will, nevertheless, continue to hold the office until he is ready to surrender it voluntarily. It is understood

that the position is not congenial to him, and that he only took it temporarily when the company was in the height of its troubles, with the reservation that he should be at liberty to return to his law practice when the atmosphere became clearer. His administration has been a profitable one for the policyholders of the company, as the reforms he has introduced will save them millions of dollars. Extravagance that prevailed under the old management in many directions has been eliminated, speculation has been done away with, and the affairs of the company placed on a business basis. When President Peabody resigns from the company Secretary Shaw may be among the candidates for his office. But should the Untermeyer-Lawson-Scrugham trustees be elected, which is not probable, Mr. Lawson, the backer of this movement, will probably claim the presidency as a reward for cash advances to aid the mud-slinging campaign prosecuted by the persons named.

IN the report of the Washington State Tax Commission, a tax of 2 per cent on the gross premiums of insurance companies is advocated to take the place of the present tax of 2 per cent on all premiums collected, less the amount of losses actually paid policyholders, return premiums and reinsurances in companies authorized to do business in the State. In proposing the adoption of this measure, the Commission observes:

It will be urged by the insurance lobby that in consequence of the proposed change in the law, the rates of insurance will increase. This contention is as insipid as was the threat that railroad construction would cease in Washington in the event the legislature created a Railroad Commission. With equal reason every industry in the State could resent an increase of taxation on the ground that the consumers of the products would have to pay it. Such arguments are the demagoguery of corporations. In States having a three per cent tax on gross premiums the same insurance rates prevail for similar classes of risks as in States which favor the companies with lower rates of taxation.

This presentation of the subject does not accord with general usage. Most persons comprehend that no business can long be conducted at a loss. With insurance policies, as with other goods, when circumstances occur increasing the expense of placing the same on the market, those desirous of obtaining them must, necessarily, pay an enhanced price, sufficient to cover the increased cost of production, as the persons interested in the business cannot be expected, much less compelled, to sell their goods unless an equitable return for the capital and labor involved is forthcoming.

IF the action taken by the New York Legislature in connection with life insurance, following the suggestions of the Armstrong investigating committee, was considered radical, the ideas laid down by the Wisconsin commission are nothing short of revolutionary. The general purpose of legislation is assumed to be the protection of the general public interest, without undue interference with ordinary methods of transacting business. Life insurance has been evolved through a series of years to a system which can stand the test of time and provide all the benefits it promises without impinging upon the rights of a single policyholder or beneficiary, yet the Wisconsin commission ignores the lessons of experience, and, after a few months of investigation, has the audacity to set

up entirely new standards, evidently assuming that the companies do not know how to run their business. No wonder that one of the actuaries employed by the commission utterly repudiates its findings, or that a former Insurance Commissioner of the State, Dr. William A. Fricke, denounces the report as an attempt to kill off or retard the progress of home companies and prevent other organizations from operating in the State. When the numerous bills prepared are presented to the legislature there will undoubtedly be a strong fight against their adoption, and Wisconsin, we believe, has sufficient men of strong character to prevent that State enacting into law a lot of untried theories. The evils that have been exposed in the business are simple in their nature, and can be cured by simple remedies.

LIFE INSURANCE TOPICS

BOSTON AND VICINITY.

The interests behind the proposed Mutual Society for Direct Life Insurance of Massachusetts are said to have raised a guaranty fund of something more than \$100,000. This is about one-half of what the promoters hope to raise before the next legislature convenes, when it will apply for a charter. The object of the new company is to "provide life insurance at cost." There will be no agency force, the place of which is to be taken by large employers, labor organizations and others throughout the State. Charles W. Eliot, president of Harvard University, has strongly endorsed the scheme.

D. E. Dudley, late manager of the general agency in Baltimore of the Mutual Life, will succeed F. E. Keep as Boston manager of the company.

The Metropolitan Surety Company, through its Boston office, is writing team insurance in this city.

Beginning January 1, George T. Ferris, for several years assistant manager of the Equitable Accident, will become associated with the Boston agency of G. R. Griffin.

NOTES FROM PHILADELPHIA.

Five shares of stock of the Provident Life and Trust Company of this city sold at auction last week at \$800 per share, an advance of \$18 over the last previous sale. It is said that the business written by the Provident during the year will show a very substantial increase over the amount written during 1905.

For the second time, Catharine Gallagher, the three-year-old granddaughter of Patrick M. Gallagher, an attache of the Philadelphia Mint, was last week awarded \$10,000 damages against the Public Service Corporation by a jury in the Camden Circuit Court. The previous award was set aside. The child lost a leg by being run down by a car while crossing Kaighn avenue at Locust street in April, 1905.

Prominent members of the Manufacturers Club, at a dinner recently given by P. T. Hallahan, the shoe manufacturer, started a boom for Nathan T. Folwell, the president of the club, for the Mayoralty. Mr. Folwell is a director of the Fidelity Mutual Life of this city, one of the great merchants of Philadelphia and most popular in the community.

Annual meetings of Philadelphia life insurance companies are noted as follows: The Penn Mutual on January 7, the Fidelity Mutual on January 8, the Philadelphia Life on January 9, the Provident Life and Trust on January 14, and the Girard Mutual on January 23.

During the present month the Philadelphia agency of the Union Central Life reports paid-for business of \$432,750. The year has been a particularly good one, and Manager Blair T. Scott hopes for even better results during 1907.

THE MIDDLE STATES.

—Charles H. Coons, secretary of the Order of Unity of Pittsburg, Pa., is recovering from a severe attack of typhoid fever.

—At a meeting of the board of directors of the Security Mutual Life of Binghamton, N. Y., held December 19, the officers were all re-elected for the ensuing year, the only change being made in vice-presidents. There are, as before, three vice-presidents, but in future they are not to be known as first, second and third.

THE WEST.

Criminal Cases Nollod.

The criminal cases against Wallace Campbell, formerly an official of the Northwestern National Life, were nollod last week in the District Court at Minneapolis. There were two cases against Campbell and they were both based upon facts which other members of the board, of which Campbell was a member, have been acquitted of. Several cases against Wm. F. Bechtel, former president of the company, were also nollod because of the fact that they had been outlawed. Other cases against Bechtel went over to another term. The case against F. W. Sackett, former treasurer, in connection with certain bank stock, was dismissed, but other cases went over to the next term, as did also the bribery charges against former Insurance Commissioner Elmer H. Dearth.

State Life Insurance Company Examined.

The Kansas Insurance Department recently completed an examination of the State Life of Indianapolis as of November 1, 1906, and found the gross income for ten months to be \$2,249,424; total disbursements, \$1,397,176; ledger assets, \$4,696,891; total admitted assets, \$4,931,477; total liabilities, \$4,343,504; and surplus, \$587,973. Commenting upon the company the report says:

The company has a good working surplus, is fully solvent and able to meet every obligation, better than I show, as \$36,000 of agents' balance has been paid in cash since I found financial balance.

The officers have given and are now giving the best of their services, and have in twelve years erected a great monument to their ability and integrity. If their rewards seem large, it must be remembered that the same results in any of the older and larger companies would have brought as large, if not larger, rewards.

I wish to call your attention to the patience and courtesy of all officers and employees during this examination. Every record was freely opened—every assistance asked for granted.

Monumental Ignorance of Wisconsin Legislative Committee.

[TO THE EDITOR OF THE SPECTATOR.]

The report of the Wisconsin legislative committee is monumental as an exhibition of ignorance, incompetence and carelessness. A very short examination will soon convince any experienced insurance man. The utterly inexcusable carelessness of their work is most clearly demonstrated in the last pages where they say, they give a list of bills recommended and proceed to enumerate twenty-one bills.

One naturally expects that the bill which they append and designate "No. 1" would correspond to the first bill in the list just mentioned. It does not, however, but is the ninth in the list. The appended bill marked "No. 2," is the seventh in the list and so on for all the bills. This lack of order, however, is a comparatively small matter, for in a number of cases they do not give bills corresponding to those enumerated in the list. They do indeed append twenty-one bills, which seems to correspond to the number stated in the list, but a careful examination shows that among the bills actually suggested, there are none corresponding to the first and the last titles on the list. Two of the bills (No. 7 and 8), are really one bill and answer to the tenth in this list.

Bill "No. 20" does not correspond to any title in the list, and bill "No. 12" answers only to the latter part of the title of the twentieth in the list. Such slovenly carelessness as this characterizes all of the report so far as I have had patience to examine it.

Yours very truly,

DAVID PARKS FACKLER.

New York, December 22, 1906.

—According to Governor Deneen of Ohio, the State Insurance Department is to be remodeled and made one of the best in the country.

—A bill is being prepared for introduction at the next Wisconsin Legislature, compelling an accounting on all deferred dividend policies now in force.

—The Supreme Lodge of the Ancient Order of United Workmen has notified Insurance Commissioner Barry that it will not apply for a license to do business in Michigan another year.

—The Western Mutual Life Insurance Company of Council Bluffs, Ia., has elected the following officers: President and insurance manager, C. M. Ather-

ton; vice-president, Victor E. Bender; secretary, A. W. Bannick; treasurer, Percy Badollet.

—The Jefferson Life, recently organized in Indiana, has elected the following officers: President, C. P. Williams; vice-president, G. E. Harnell; secretary, T. W. Millikan; medical director, J. H. Ford; treasurer, W. F. Van Buskirk; general counsel, Major A. Downing.

—Announcement was made some time ago that the Equitable Life of Iowa would change its reserve basis to 3½ per cent American, on January 1, 1907, and would, at the same time, place new policies on the market. For certain reasons, the principal of which is threatened legislation, the company thinks best not to put out its new policies, at least for a few weeks, and to defer the adoption of the new reserve basis until the new policies are issued.

MISCELLANEOUS LIFE NEWS.

Life Insurance Developments of the Week.

Last week the case of the Mutual Life of New York against D. C. Haldeman and the North British and Mercantile Insurance Company was concluded in London by counsel for the defendants. He said there was no evidence to show that the North British had been guilty of conspiracy or had received confidential information to the detriment of the plaintiff and claimed Haldeman had done only that which was for the protection of British policyholders, and that the position of the Mutual would be much worse had not Haldeman taken some step to quiet the holders of large policies. Robert Finley, K. C., replying for the plaintiffs, said the circular of May 10, sent out by Haldeman, was calculated to lead policyholders to surrender their policies, to the damage of the Mutual, and this circular was sent out by means of information that Haldeman had at his command. He said Haldeman should have resigned his position before engaging in any agitation such as the one under consideration. Judge Eady commented on the fact that not a single policyholder had been called as a witness by the plaintiffs, nor had any attempt been made to show whether the policyholders who had transferred to the North British had gone over by reason of the scandals in the management of the Mutual, or had simply followed Haldeman, or had gone by reason of improper solicitation.

Mr. Finlay replied that if the plaintiffs had called policyholders to give evidence they probably would have been asked by defendant's counsel for an explanation of their mixed motives, and their testimony would have been characterized as worthless. The court reserved judgment.

Two accounting firms are to supply the force and superintend the work of counting the votes cast in the election of officers for the two New York companies. Touch, Nevin & Co. will have charge of this work at the New York Life office, and Price, Waterhouse & Co. for the Mutual. The opposing forces both claim a victory and many systems of figuring have been advanced to substantiate their views.

As announced in these columns last week, the North American Life Insurance Company is being formed at Newark, N. J., and the report has been widely circulated that this company is to take the excess writings of the New York Life, over \$150,000,000 new business per annum, which is allowed under the new law in New York State. Secretary John C. McCall of the New York Life has denied that there is to be any connection or business understanding whatever between his company and the New Jersey company.

The argument on the application of George Burnham, Jr., counsel and vice-president of the Mutual Reserve Life for a certificate of reasonable doubt as to the legality of his conviction, was heard by Justice O'Gorman. Decision was reserved and Burnham is still in the Tombs prison.

The grand jury was investigating the management of the New York Life last week, and among the witnesses examined were George W. Perkins, former vice-president of the company; Alexander Webb, Jr., who was secretary of the New York Security and Trust Company; J. Carroll Root, secretary of that company; Woodbury C. Langdon and G. A. Morrison, who were on the finance committee of the New York Life, and M. M. Mattison, bookkeeper. The evidence laid before the grand jury has to do with the alleged falsification of books of the company, and, if proved, constitutes forgery in the third degree. It bears on transactions of the New York Life with certain trust companies.

Organization of Life Insurance Executives.

In response to the invitation of Paul Morton, president of the Equitable Life, representatives of twenty-four life insurance companies met at the Waldorf-Astoria in New York, on Friday last, to consider the organization of an association. After calling the meeting to order Mr. Morton was selected as chairman, and Thos. W. Buckner of the New York Life as secretary. A general discussion as to the objects of the

proposed organization was indulged in, during which every representative expressed his views. A committee was then appointed to draft a constitution, said committee consisting of John P. Munn, president United States Life; Haley Fiske, vice-president Metropolitan; L. G. Fouse, president Fidelity Mutual; Joseph A. DeBoer, president National Life of Vermont; Leslie D. Ward, vice-president Prudential; J. R. Clarke, president Union Central, and Paul Morton.

At a later session the committee reported a draft of a constitution, which will be discussed at an adjourned meeting to-morrow. The objects of the organization as set forth by the proposed constitution are:

To promote the welfare of policyholders.

To advance the interests of life insurance.

To prevent extravagance and reduce expenses by an interchange of views and practice among life insurance companies in matters of general administration.

To consider carefully important measures that may be introduced from time to time in legislative bodies, with a view to ascertaining and publicly presenting the grounds which may exist for their adoption or rejection by the legislature.

The Connecticut Mutual, Mutual Benefit and Northwestern Mutual were not represented at the meeting, and it is understood that they have not been heard from in any way. The Equitable of Iowa, Pacific Mutual and Washington life, while not represented, have expressed willingness to co-operate. The companies represented were as follows: Aetna Life, Hartford, Conn.; Berkshire Life, Pittsfield, Mass.; Connecticut General, Hartford, Conn.; Equitable, New York, N. Y.; Fidelity Mutual, Philadelphia, Pa.; Germania, New York, N. Y.; Home Life, New York, N. Y.; Manhattan, New York, N. Y.; Maryland, Baltimore, Md.; Massachusetts Mutual, Springfield, Mass.; Metropolitan, New York, N. Y.; Michigan Mutual, Detroit, Mich.; Mutual Life of New York, N. Y.; National, Montpelier, Vt.; New England Mutual, Boston, Mass.; New York Life, New York, N. Y.; Provident Life and Trust, Philadelphia, Pa.; Provident Savings, New York, N. Y.; Prudential, Newark, N. J.; Security Mutual, Binghamton, N. Y.; State Mutual, Worcester, Mass.; Travelers, Hartford, Conn.; Union Central, Cincinnati, Ohio; United States Life, New York, N. Y.

In a statement made after the meeting Mr. Morton said:

The presidents of about thirty companies were invited to be present and twenty-four were represented. It was the general disposition to enter into an association, provided one could be formed on the right lines. Expenses are to be reduced where possible and waste eliminated. The association will publicly present its views to lawmaking bodies, and all others wishing light and information on life insurance matters, and it was the unanimous resolve of all participating in the meeting that there should be the fullest discussion of the plan at the next meeting, to be held December 28. The newspapers will receive the full report of the committee, and there will be nothing about the proposed organization that we care to keep from the public. It is the interest of the public that we are trying to serve.

VARIOUS ITEMS.

—T. Johnson Clancy has been appointed general agent in Kentucky for the Home Life of New York, succeeding Loren B. Williamson.

—The Southern Investment Company of Baltimore has been organized, with a capital of \$50,000 and a surplus of \$12,500, to deal in life insurance policies.

—Henry S. Waldron, formerly manager at Helena, Montana, for the Mutual Life of New York, has been appointed manager at Springfield, Mass., succeeding E. O. Sutton.

—Chairman Jenkins of the House judiciary committee is authority for the statement that no action of any kind upon insurance measures for the District of Columbia will be taken this session.

INDUSTRIAL INSURANCE

A Step Deferred Maketh a Man Stick.

To wait until you have everything all ready to begin a piece of work means that you will never be in a position to begin at all. It is this very common practice of putting off making a start that keeps so many agents at the bottom of the honor rolls or not on at all. It is the disposition to let some small obstacle stand in the way of making a beginning. Very rarely is any piece of work fully planned at the time it is started. The plan may be carefully looked over and if no serious obstacle presents itself the one and only thing to do, if any progress is to be made, is to start at once and go just as far as you can, meanwhile paving the way for your next move. If from the experience of the year just closing you have been able to grasp any central thought, which, if incorporated into a systematic plan of action, will increase your business during the new year, do not lay it aside to be thought over and studied

until it grows commonplace and uninteresting. Make up your mind quickly what is the first step to be taken and take it. If you are so far from the right path that a step is too short, jump it. Get a system started for 1907. Tell your assistant or superintendent how, as it appears to you, you can improve your business during another year; he can, if he is a competent man, surely assist you. Then, having decided, don't wait for better weather, the end of the holiday season, the spring or the fall, the new State laws, the revised rates, the new commission schedule, the changes which are about to be made in the district. All these things will take care of themselves and no matter which way they are decided will not put signatures on the applications. Keep in touch with every change that takes place in the district; in the State laws; in insurance generally and study how you may turn these things to your advantage. But do not for a moment lose sight of the one thing, which, above all others, is of most importance to you—the signatures. Insurance, for hundreds of years, has passed through all sorts of ramifications, but the great outside world goes on purchasing protection in whatever form it is most attractively presented at the time. The hundred and one things that concern the student of insurance never permeate the brain of the average purchaser. They are technical, academic. The principal thing is protection, saving, indemnity for loss. Therefore, in the four remaining days of 1906, get a plan, a system; if possible, an old one that has been tried and found to be successful, and be ready to begin working out the first steps toward its consummation promptly on January 1. Not merely thinking it over, but actually working it for all there is in it.

The Work of the Metropolitan's Field Force.

In response to the personal appeals of the vice-president of the Metropolitan last May and June, by means of personal conference with the superintendents all over the country, President John R. Hegeman is able to make the following comparisons for the months of July to November, inclusive:

The largest amount of industrial increase which the company ever made, except in 1894 and 1903.

The agents wrote the largest amount of industrial business, average per man, of any of the last ten years.

The average increase per man was larger than for any of the past ten years.

The ratio of lapses was the third lowest for ten years past.

The number of transferred accounts was the lowest for eight years, notwithstanding the larger force of men with which we started and the larger reduction in the force we have made this year.

The collections were the best in the history of the company!

The death claims reached the lowest ratio for the last twenty-five years—notwithstanding the increased average age of the policyholders.

The special salary to agents averaged the largest amount in the last ten years; and yet we saved \$100,000 in the total compared with last year.

The saving in total cost in these items alone, medical fees (because of a reduction in number of applications), assistants' salaries and special salary, was at the rate of a million dollars a year.

We may add that the Pacific Coast kept up with the procession by the remarkable feat of covering for the year the enormous lapse caused by the earthquake and is certain to close the year with a handsome increase.

In the ordinary department, September about equaled September of last year, while October and November largely exceeded the corresponding months of last year, and December promises to be a record breaker!

And taking the same five months for comparison—July to November, inclusive—you wrote more ordinary than ever was written by the company in the corresponding months and exceeded 1905 by over a million and a half; and this, it must be remembered, by more than 3000 less men!

The New Arrivals.

How often it happens that when a family in which there is no insurance moves from one locality to another, a long time elapses before an industrial agent makes his appearance to get the applications which, in many cases, are simply waiting to be taken. As soon as a family or individual takes up a new location all tradesmen hasten to supply their wares, and it often happens that many in the same line of business appear to solicit trade. The industrial agent should see that his business is also represented, and with his knowledge of the neighborhood he should be able to give the new-comers many a serviceable pointer and thus cement a friendship which will bind closer as time advances.

How the Prudential Leaders Stand.

Superintendency leaders in industrial for 1906, including week of December 10: L. F. Miller, Allentown; J. Reid, Milwaukee 1; J. Pauer, McKeesport; G. J. Wink, Wilmington; P. H. Showalter, Denver. Assistant Leaders—P. M. Russell, New Albany; C. P. Wurster, Charleston; B. R. Cosby, Joplin; S. P. Miller, Joplin; O. G. Gooden, Wilmington. Superintendency Leaders in Ordinary—Z. T. Miller, New York 8;

M. J. Leonard, New Haven; J. T. McKenna, New York 3; L. F. Miller, Allentown; J. S. Kendall, Chicago 1. Assistant Leaders—M. Phillips, New Haven; E. C. Foppert, West Hoboken; O. M. Frank, Boston 4; A. H. Hinzpeter, St. Louis 1; G. Schilmoller, Hamilton.

Industrial Notes.

—Agent W. C. Brittain of the Life Insurance Company of Virginia at Roanoke has been appointed agent in charge of King's Mountain, N. C.

—Edward H. Harriman, the prominent railroad man, said recently: "To achieve what the world calls success a man must attend strictly to business and keep a little in advance of the times."

—Many will regret to hear that there will be no "Prudential Girl of 1907." The lithographers strike is responsible for her non-appearance. A combination blotter and calendar will take her place.

—The great Napoleon, instead of spreading his forces over a wide area, concentrated them upon the weakest point he could find in the enemies' line. Anyone can adopt the method of concentration if they will.

—Superintendent Wainwright of the Prudential, Washington, D. C., and his staff, during the week of December 3, wrote 613 applications. This included ordinary business aggregating \$265,000, one policy alone being for \$250,000.

—Superintendent E. E. Litz of the Prudential at Joplin has taken charge of the Omaha district, a promotion in recognition of fine work done this year, the Joplin district being the leader of the industrial proportionate fifty. Assistant C. F. Bernhardt of Kansas City No. 1 gets the superintendency at Joplin. Superintendent George D. Reid goes from Detroit No. 1 to Galesburg, vice Paul C. Boehme, resigned.

—The John Hancock reports the following recent promotions and transfers. Agents promoted to assistantcies in the districts in which they are employed: Richard Rippon, Lynn; Everett Gray, Hoboken; James P. Brennan, Chicago, Ill.; Orris M. Pier, Springfield; Wilbur H. Mathews, North Adams; William P. Kenney, Chelsea. Frank J. Gildea has been promoted from agent at Pawtucket to assistant at South Framingham, and Charles C. Oaks, from agent at Philadelphia 3 to assistant at Jersey City. Assistant Timothy McHugo has been transferred from Chicago 1 to Haverhill.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

Fire companies writing tornado insurance on the Atlantic and Gulf seaboard, held a meeting at the office of the Home last week, George W. Babb, manager of the Northern of London, presiding. A committee was appointed, after a discussion, to consider what places in the strip lying within fifty miles of the coast should be subject to a high differential rate, as compared with the more interior current ratings; also what towns, if any, should have a special schedule of rates applied because of their greater hazard or uniformly unprofitable record.

After January 1, Manager J. A. Kelsey of the Aachen and Munich Fire is to have control of the Pacific Coast department, including the Hawaiian Islands. Mr. Kelsey will then manage the entire United States field.

R. Emory Warfield, president of the Hanover Fire, has been elected a member of the New York Board of Fire Underwriters.

Twelve shares of the Northern of New York recently sold at auction at 96.

William G. Whilden has resigned as secretary and managing underwriter of the Eagle Fire Company, taking effect January 1. While Mr. Whilden has not given out his plans for the future, we hope in next week's issue to be in a position to announce something definite regarding them.

At a recent meeting of the directors of the Hanover Fire a five per cent semi-annual dividend was declared.

Assistant Manager Christopher of the Caledonian, who has been in San Francisco since the first of May last, in charge of the interests of his company growing out of the conflagration, expects to be back in the New York office to-morrow.

A special meeting of the New York Board has been called for

to-day, upon the request of the joint committee on surveys and electricity. This is the natural outcome of the discussion which occurred a week ago at the regular session. The question of reconsideration of the vote of November 21, by which the superintendent of surveys was practically retired on a pension, was brought forward on a motion urged by the two committees, but opposed by members of the finance committee. This is the sequel to the failure of the joint committee on economies to bring the scheme for transferring the duties of the superintendent of surveys to the manager of the Exchange to a successful conclusion. This failure left the committees on surveys and electricity without a head to carry on the work with which they are charged, and they have asked the Board to restore the superintendent to the old status, or until such time as some other arrangement can be made. The meeting to-day is likely to be exciting, as the occasion is the first time in the history of the Board when two standing committees have deemed it necessary to appeal to the Board to sustain its claims to control over its own machinery.

Several of the foreign and domestic companies holding Government bonds received word last week from the Treasury Department that the interest due February 1 would be anticipated. The companies are already watching the market quotations for their securities, to be used in the December 31 statement. There are indications that the prices this year will not swell the assets as the prices of twelve months ago.

Notwithstanding a current impression that the schedule rates have increased lately, the demands for return premiums on account of reduced rates have become a burden. One agency office had on hand on Monday nearly four hundred policies upon which there is call for refunds caused by the decrease in the rates in the cabinets. The local companies are in the same box. An estimate in one of the latter offices recently made, fixed the December reductions on charges in rates at over \$25,000—a comfortable way of paying out money without much advantage.

The resignation of Charles L. Case from the committee on laws and legislation at this juncture is regarded as a misfortune. The duties of the committee are likely to be serious this winter, owing to the probable appearance of some very hostile measures at Albany. The anti-compact bill is sure to be brought forward again, with fewer enemies than it met last year.

It is deplorable that any further cause of friction among the members of the Board and its committees—or between the Exchange and its manager—should continue, in view of the necessity of harmony among the companies this winter. The manager has been relieved of all pressure and been complimented by a vote of confidence. He has no enemies, but his friends regret occasional signs that he is injudicious in his reflections upon members. The general belief is that he has won a victory in the contest with the joint committee and should be satisfied.

The firm name of A. & J. H. Stoddart, general agents of the New York Underwriters Agency, will be perpetuated. It will hereafter consist of J. H. Stoddart, surviving member of the former firm, and his brother, A. R. Stoddart; the former having been connected with the New York Underwriters Agency for thirty-one years, seventeen of which in an official capacity, while the latter has been engaged in the office and field work of the firm from 1882, and some time since became an important factor in the management.

It is stated that one of the diplomatic successes of Manager Shallcross of the Royal was his recent achievement in persuading a small army of non-board agents, representing the German of Freeport, to join the Royal's army inside the Board and rate associations. There is a suspicion that it was one of the neatest triumphs in his singularly successful career.

The Atlanta Home is preparing to begin business in the Metropolitan district on January 1, with Hall & Henshaw as representatives.

NOTES FROM PHILADELPHIA.

The sole agency of the Pittsburg Underwriters for Philadelphia and vicinity has been transferred from Charles E. Heath to Billington, Huthinson & Co.

At the annual meeting of the Underwriters Association of the Middle Department, held last week, A. E. Dunnean was elected presi-

dent for the ensuing year to succeed Gilbert A. Russell. E. J. Haynes was elected vice-president, and J. A. Westervelt chairman of the executive committee.

Robert C. Robinson has been appointed second agent of the Union of Pittsburg, reporting to Harrold E. Gillingham.

At auction last week five shares of the Reliance of Philadelphia sold at \$73 $\frac{3}{8}$ per share, and four shares at \$73.

On January 15 the resignation of H. M. Gibbs takes effect as superintendent of agencies of the Western of Toronto, and he will enter upon his new duties as special agent of the Hartford Fire for Eastern Pennsylvania, Maryland, Southern New Jersey and District of Columbia.

The equity suit which was begun on the 14th by Joseph J. Shields, administrator of the estate of Sarah A. Shields, to enjoin the Franklin Fire from receiving further subscriptions to the new stock issue, was discontinued last week. The Franklin Fire Insurance Company announces that all subscriptions to the new stock have been paid in full, and the position of the company now stands as follows: Capital, \$400,000; surplus, \$300,000; assets, \$2,250,000.

On Friday last John H. Coxey, one of the oldest insurance agents and brokers in this city, died at the age of seventy-nine years, after a short illness.

The Northwestern Fire and Marine of Minneapolis has been admitted to Pennsylvania.

BOSTON AND VICINITY.

The New England Insurance Exchange has made a thorough inspection of fire protection conditions in Woonsocket, R. I., and various recommendations for the improvement of the same have been made.

E. S. Anderson, special agent of the Liverpool and London and Globe for Maine, has been elected a member of the New England Insurance Exchange.

Regarding the recent disastrous fire in Lynn, Mass., resulting from a boiler explosion, causing a loss of \$400,000, the New England Bureau of United Inspection has sent out the following report of its inspection:

Any lap-seam boiler is a distinct hazard in a factory, and any boiler, whether water-tube, butt-joint or lap-joint, may explode; but with the experience which has developed from lap-seam boilers it is doubtful whether they should be allowed to remain in or close to factories.

We recommend a law preventing their use, particularly inside city or town buildings. It is, therefore, recommended that a distinct difference in fire hazard of a risk containing steam power units be recognized, depending upon the type of boilers installed.

We recommend, further, that city gas companies be compelled to provide outside shut-off valves, readily accessible, on all gas mains entering buildings. The rapid spread of fire was undoubtedly due to the fact that the gas main in Herney's building was broken, and that gas diffused through the building.

Boston experienced a fire, on Wednesday, the 19th inst., in the shopping district, which caused a loss of from \$235,000 to \$240,000.

THE MIDDLE STATES.

Automatic Sprinkler Men Celebrate.

On Thursday evening, December 20, the office staff of the H. G. Vogel Company, 12-14 Walker street, New York, gave a banquet at Cavanaugh's in honor of John D. Coleman, secretary of the company. On the right of Paul E. Moore, toastmaster, the guest of the evening was placed; at his left was the president of the company, H. G. Vogel, who was also a guest. After enjoying the elaborate menu served on the tastefully decorated table, the toastmaster, on behalf of the office staff, presented Mr. Coleman with a gold watch-foh, which was an exact miniature in every particular of an automatic fire sprinkler. Mr. Coleman, although taken completely by surprise, responded in fitting terms to this speech of presentation.

After responding to the toast "Out on the Job," Mr. Spoll, head of the drafting department, presented President H. G. Vogel with a pair of fur-lined automobile gloves, elbow length.

The toasts and speakers of the evening were very interesting, and those of the office staff who were present hugely enjoyed the evening's pleasures.

The remainder of the evening and part of the early hours of the morn-

ing were spent in social intercourse, and the participants finally departed for their homes feeling that the evening had been well spent.

—The Birmingham Fire of Pittsburg has entered New York State. Blagden, Kelly & Fuller of New York city have been appointed Metropolitan district agents.

—The Underwriters Association of the Middle Department has elected the following officers: A. E. Duncan, president; E. J. Haynes, vice-president; J. A. Westervelt, chairman of the executive committee.

—It is reported that the North Carolina Home Insurance Company of Raleigh, N. C., will soon increase its capital and enter New York State for business. The company was organized in 1868, and has heretofore confined its business to its home State. On January 1, 1906, its assets amounted to \$213,124; its paid-up capital was \$96,355, and its net surplus was \$46,334. Its policies are jointly guaranteed by the North Carolina Home and the German-American of New York. The North Carolina Home is understood to be controlled by German-American interests, and includes among its directors W. N. Kremer, E. M. Cragin, C. H. Coffin, C. G. Smith, John C. Drewry, W. L. Reynolds and A. B. Andrews. With such backing, the North Carolina Home will be a welcome addition to the list of general agency companies. R. H. Battle is president, and Geo. P. Folk secretary.

—Wm. C. Johnson, New York manager of the Phoenix Mutual Life Insurance Company, read an interesting paper at the annual meeting of the American Economic Association upon "The Principles Which Should Govern the Regulations of Insurance Companies." Mr. Johnson has had a wide experience in life insurance, and has been a representative of the agents in connection with the Armstrong laws adopted last winter. Among other things pointed out by Mr. Johnson was the necessity "for thorough-going insurance reform, which rests in the maximum of publicity and strict accountability and a minimum of legislation." Mr. Johnson reviewed the policy of the lawmakers of the different States, showing how the laws enacted are burdensome to the insurance companies, but especially to the policyholders. We received a copy of Mr. Johnson's remarks after THE SPECTATOR was ready for the press, and regret that we are unable to print the paper entire.

THE WEST.

—The Farmers Mutual Fire of Yazoo City, Mo., has been incorporated by M. A. Brown, H. W. Bradshaw et al.

—The Hawkeye of Des Moines has entered Ohio. W. L. Pettibone of New York is its general agent for Ohio.

—Hugh Gates, Arkansas special agent for the Mississippi Home, has resigned, and has been succeeded by J. M. Klein, formerly of Vicksburg.

—The Royal Exchange has appointed Geo. R. Webb, formerly with the New York Underwriters, as its special agent for Missouri and Kansas.

—The Ozark Mutual of Fort Smith, Ark., and the Southern of Little Rock have decided to quit; the latter has reinsured in the Travelers of Pine Bluff.

—J. G. Monroe, special agent of the Continental for Western Ohio, has resigned to enter the independent adjusting field, with headquarters at Cincinnati.

—C. W. Kimmell, formerly with the German National of Chicago, has been appointed special agent of the Germania Fire to assist Fred. S. Penfield in Indiana.

—The Fraternity Club of Nebraska has been organized at Omaha, with J. F. Dale, president; J. D. Carpenter, vice-president, and C. D. Mullin, secretary-treasurer.

—John Naghten & Co. of Chicago have resigned as agents of the Svea of Gothenburg, and Wile, Loeb & Gutman have been appointed principal agents of the company at Chicago.

—Receivers Davey and Niblock, of the German of Freeport, are suing M. A. Shumard in New Orleans, alleging that he owes the company \$125,000 collected in premiums and not turned over.

—C. W. Greene, special agent under General Agent John E. Hendry of Chicago, has resigned to become special agent of the United American of Milwaukee, for Illinois and Wisconsin.

—The General Insurance Agency Company has been incorporated at Youngstown, Ohio, with \$25,000 capital, by J. G. Haney, F. B. Medbury, Caroline Packard, M. Baird and T. E. Davey.

—The Chicago local agency firms of George S. Haskell & Co. and Rothermel, Miller & Co. have been consolidated under the firm name of Haskell, Miller & Co., S. A. Rothermel retiring because of ill health.

—The Western Union companies, owing to the severity of competition and the weakness of co-operation, are voting on a proposition to suspend the flat advance on unprofitable classes until it can be absorbed in the schedules.

—The Special Agents Association of the Pacific Northwest met recently and elected officers for the ensuing year as follows: Chas. Thompson, president; Fred. W. Gaston, vice-president; Dave Atkinson, secretary.

—The Pacific Fire Insurance Company of Seattle, Wash., has elected the following officers and directors: C. K. Holloway, president, Hollan Parker Company, Walla Walla; L. E. Larsen, vice-president, Weymouth Larsen Company, Seattle; H. E. Weymouth, secretary, Weymouth Larsen Company, Seattle; J.

M. Carver, treasurer, Swope Carver Company, Seattle. Directors: Homer Bull, Bull Printing Company, Seattle; C. W. Clausen, Olympia; O. E. Weymouth of Michaletechke Brothers & Co., San Francisco.

—The Attorney-General of the State of Washington is co-operating with private parties to secure a receiver for the Manufacturers and Mechanics Fire and Marine Insurance Company of Seattle, which company is declared to be in financial difficulties.

—R. A. Luke of Helena, Mont., has resigned as special agent of the Phenix of Brooklyn and the German American to devote his time to his local agency and adjusting business. The Montana field of the Phenix has been added to E. P. Lange's territory.

—It is reported that the Peoples Insurance Company of Little Rock has transferred certain real estate to the president, R. D. Plunkett, and the Arkansas Insurance Department has objected on the ground that the consideration is only \$7050, whereas the properties have been admitted by the Department in the assets of the company at about \$50,000.

THE SOUTH.

Legislation in Tennessee.

The following recommendations for legislation to be presented before the coming session of the Tennessee Legislature have been formulated by the insurance committee of the Nashville Board of Trade, in conjunction with the standing committee on fire insurance of the Business Mens Club of Memphis and the Senators and Representatives from Shelby county.

A law to give the right to a surplus line company to inspect a risk or adjust a loss in the State under certain restrictions; A Fire Marshal law; a law permitting the use, without restriction of the co-insurance, iron safe and three-quarters value clauses; an adequate building law; an act legalizing the New York standard form of fire policy; an act to encourage the establishment of home stock and mutual fire companies; an act to facilitate the entry of other State mutuals; an act prohibiting over-insurance; an act authorizing fire companies operating in the State to insure against damage resulting from sprinkler leakage, and an act to secure greater publicity in the affairs of insurance companies.

—George M. Stonebroker, a prominent fire insurance agent at Hagerstown, Md., died recently.

—The Royal Exchange has made the statutory deposit in Georgia, and has entered that State for business.

—The Jefferson Fire of Philadelphia has been admitted to Virginia, and will be represented by Frank W. Laughton & Co. of Richmond.

—Texas fire insurance men will present a bill at the coming session of the State Legislature providing for the formation of a commission, composed of fire insurance agents, together with the Commissioner of Agriculture, Insurance, Statistics and History, to limit the amount of insurance any given company may write in any one city or town.

PACIFIC COAST.

A Review of San Francisco Conditions.

[FROM OUR OWN CORRESPONDENT.]

In the days when the ruins of San Francisco were still smoking amid a scene of the most abject desolation, the company managers and general agents were wont to assemble in a large bare room in Oakland, known as "Reed's Hall." Their discussions were, as a whole, almost futile, and the ultimate destinies of the situation made themselves known and overruled the wills of men with an inevitability not really surprising. No man, no company, no organization of policyholders obtained his own way. The situation slipped out of the hands and solved itself.

But it was impossible to look round the faces and figures of the men present without feeling something of the drama, the personal tragedy, the opening opportunity, that lay their in their midst. Men were there who had seen former conflagrations, but would never see another, men whose force had never been known, but lay ready to be aroused; men who had gained their high position by opportunity and were destined to lose it by circumstance. Men—old, young, wise or incapable—and the cards were going to be shuffled for a new deal. The cards are not all shuffled yet, and it is still unknown how they will all lie, but the changes have already begun, and before the Pacific Coast management of insurance companies has settled down to a new basis many more resignations and appointments must be looked for.

The first developments along these lines were an early crop of resignations, arising ostensibly out of discontent on the part of managers at the policy laid down by their companies in regard to adjustments. Mr. Dornin, always most highly thought of and respected among managers, in a letter of considerable bitterness, served his connection with the Na-

tional of Hartford, a company that had stood well on the coast. Rudolph Herold, once holding the now abolished office of city surveyor, and for many years manager of the Hamburg Bremen, resigned his position. Arthur G. Nason, formerly a local agent at San Diego, but lately the representative in San Francisco of the Continental and the National Union of Pittsburg, threw up his general agency of the latter company and gave a copy of his letter to the newspapers. V. C. Driffield, the popular manager of the Transatlantic, chagrined beyond measure at the refusal of his company to pay its losses, retired into an office in the western addition with the Federal of Jersey City. Colonel Macdonald and his assistant manager, Colonel Miles, after representing for so many years the London and Lancashire, and writing (with the assistance of the State and the Orient, and lately the Assurance Company of America) one of the largest premium incomes on the coast, gave way to a successor.

Other managers dropped out because their companies withdrew from the State or went out of business—W. W. Speyer, of the North German of Hamburg; his former assistant, J. H. Ankele, of the North German of New York and the Security of Baltimore; Duncan, of the German of Peoria, who still retains, however, a representation of the Frankfort Accident; Colonel Bromwell of the Milwaukee Mechanics; W. W. Breeding of the Germania; C. H. Ward, of the German of Freeport, which, after heroic struggles to retain a hold upon life, had finally to submit to a receivership, carrying the German National with it.

Nor does this monotonous list include all. Many offices have lost companies, like Gordon & Frazer, who represented the Traders (now in a receiver's hands), but retained the American of Newark; Dickson & Thieme, who introduced the Austrian Phoenix to California (a company that has flatly refused to pay a cent since the conflagration), but still write for the Royal Exchange; Edward E. Potter, who lost the Westchester, but kept the Glens Falls, and in whose office the Williamsburg City has been for many years. Gutte & Frank, one of the old-time offices, lost all their companies, the Fire Association, the Philadelphia Underwriters and the United Firemen, the last named having retired from the coast. Mr. Stovel, after having lost three companies out of his string of eight as a consequence of heavy losses in the fire, has just parted with the Buffalo German, which retired after completing its adjustments, but he is now entering two new companies.

Doubtless there are many more changes that escape the writer's memory for the moment, but the foregoing will convey some idea of how severe has been the shaking up among the insurance managers in San Francisco.

With the deepest regret, the death must be recorded of George Grant, coast manager of the Franklin, which occurred last month.

Among the newer appointments mention should be made of Macdonald & Miles, who now represent the Westchester; Mr. Wyper, who took Colonel Macdonald's former post with the London and Lancashire; Willard Wayman, who took the National of Hartford; Frank Avery the Fire Association; C. J. Stovel, the Jefferson; Mr. Trathen, the Franklin, and so on.

After a long delay, during which everybody was guessing, Commissioner Wolf has recommended licensing new companies to do business in California—the Southern, the Seattle and the Seaboard have already received their papers, and more are expected to follow without delay, such as the Jefferson, the Shawnee, the National Lumber. To enable him to issue licenses to companies demanding admission as qualified according to California law, and at the same time avoid the difficulties that beset him, Mr. Wolf wisely adopted the simple but effectual expedient of requiring a statement as at June 30 of this year (or later date), verified by the Commissioner of the company's home State.

The danger of adverse legislation seems to have passed, and such new laws as may be introduced at the next California session bid fair to be just and beneficial. Some form of standard policy law seems almost a certainty, and can hardly be objected to, especially if the New York standard is adopted without clumsy mutilation. The main object of such a measure would be to prohibit earthquake clauses. The purpose of insurance is to insure against honest loss by fire, and a community of the size and importance of San Francisco should be able to obtain adequate protection for its enterprises. The commercial prosperity of the Pacific Coast will year by year increasingly influence the future of the whole nation, and a blunder committed now by the California Legislature, though apparently of trifling moment to the Atlantic States, could hardly fail to prove the seed of harm to American progress. Let us hope, therefore, that the men who meet at Sacramento next January will in their wisdom follow the advice contained in Professor Whitney's report, and the suggestions of those men most deeply interested in the real welfare of the coast.

The days have gone by when men, with their judgment reudered rash by irritation born of adjusters' methods, cried out for laws to force companies to do as the public willed. Practically all losses are adjusted and

paid, and San Francisco is far too eager rebuilding itself to nurture ill will against the insurance companies upon whom they now find themselves dependent for protection. The wish of the people is to keep good companies, not drive them away, but at the same time to see that the policies paid for really insure the interest covered.

Parenthetically it may be mentioned that policies with earthquake clauses are very difficult to sell in California to-day. Several companies have tried it, and some have gone back to their printers for a new series of policies omitting the objectionable clause. But some English companies are endeavoring to establish a movement to introduce the clause in their Pacific coast department.

There are two other points upon which the legislature is expected to touch—surplus line companies and foreign companies with no deposit in the United States. The law at present forbids agents to solicit, issue or cause to be issued policies of any company not licensed in California, imposing a fine of \$200 for each policy, and declaring all such insurance void in case of loss. Yet, every day more insurance goes East to unauthorized companies, or to the Lloyds underwriters in London. Upon such insurance no taxes are paid, and the Commissioner not unnaturally objects to this and to the many obstacles attendant on collecting losses from companies (possibly wild cat concerns) having no office or representation in the State. His task in attempting to deal with this matter is one of unenviable difficulty.

As regards foreign companies, the conflagration has brought very vividly to men's minds, the necessity of a company having some deposit in the United States. The most flagrant instance in point is that of the Austrian Phoenix Insurance Company of Vienna, which was writing a large business in California and San Francisco up to the time of the fire. Without attempting to adjust its losses this company simply withdrew to Vienna and refused to pay a dollar, and indeed it seems quite unlikely that anything can be done to force an acknowledgment of its obligations. No American company will raise any objection to the passing of a deposit law for foreigners of this kind.

OCCIDENTAL.

San Francisco, December 19.

MISCELLANEOUS FIRE NEWS.

The Conflagration.

A flash of flame across the heavens spread;
A hissing, roaring noise grates on the ear;
A pall of smoke that swirling rolls o'er head,
Flecked by the burning embers flying near.
With this the crash and fall of massive walls,
Mere playthings to the fire demon's strength;
The snort and clang of steamers answering call,
Appalling pandemonium drawn at length.
The fear-crazed victims flying for their lives,
Terror and anguish on their faces drawn;
No hand can stay the fire fiend's power, that drives
Rough shod, and laughs all human aid to scorn.

The fury of the flame subsides at last,
Leaving behind an endless waste of ruin;
To which the homeless, with despair downcast,
Return, to plunge disconsolate in gloom.
But after all there yet is hope for those
Who prudently their holdings did insure;
A stalwart band of men are on the scene,
To pay the loss the sufferers did endure.
All honor to the companies strong and true,
Whose earnings flowed unchecked to the distressed,
And may the new year and the future, too,
Chain fast the fiery demon to his rest.

NEWARK, N. J.

—O. C. T.

Insurance Legislation Proposed by Commissioner Wolf.

Insurance Commissioner Wolf of California is considering the advisability of recommending a number of changes in the insurance laws of that State to the legislature, which convenes next month. One of the most important measures suggested for adoption is a standard form of policy for fire companies. The New York standard form is favored; but the Commissioner does not approve of certain clauses in that document, which he thinks gives too much advantage to the companies. The

Commissioner would like to eliminate these clauses and insert others in their places. The only objection the Commissioner sees to this course, is that every other person having theories on the subject will also want to make amendments, and no agreement may be reached before the legislature adjourns. Regarding riders, the Commissioner is of opinion that if the earthquake clause, or any other clause not incorporated in the body of the standard form proposed, is authorized, it—the clause—should be printed in big type and red ink, so that the public attention may be directed to it and no one may have any misapprehension as to what the terms of his insurance policy are.

Another measure proposed, is one requiring a deposit from every foreign company doing business in the State; and the main question involved in this connection is whether the amount should be deposited in California or any other place in the United States.

At the forthcoming session of the legislature, a bill will be introduced requiring companies to pay a two per cent tax on gross premiums, without deducting the losses paid, as the present law provides. The special tax commission of California, at a meeting at the Governor's office in March last, also recommended a gross premium tax of two per cent.

Bureau of Corporations Requests Statement.

The Bureau of Corporations at Washington, D. C., has issued a printed blank to fire insurance companies, together with a circular, requesting them to answer the following questions regarding their San Francisco losses:

1. Amount of loss in burned district. 2. Total amount (net) paid to November 30, 1906. 3. Amount remaining unpaid November 30, 1906. 4. Total amount paid, full face value of policies or less not exceeding two per cent. 5. Amount paid with deduction of five per cent and over, being flat deduction from amount due in full. 6. Total amount paid when earthquake damage was shown, or agreed upon. State the full value of such policies. 7. Amount paid as compromise between company and assured, stating the full value of policies. 8. Amount paid where concessions were exacted for burned books, and where satisfactory adjustments were impossible. 9. Amount of claims not recognized by company. 10. Amount of losses resisted by company. Give amounts separately for various causes of resistance. 11. Give details of condition of company as per latest statement prior to April 18, namely: Total assets, including capital, \$.....; liabilities, \$.....; reinsurance fund, \$..... 12. Short statement, if considered desirable, in connection with the loss claims and methods of payment. 13. Amount of loss in Santa Rosa. 14. Amount of loss paid November 30, 1906:

The National Board of Fire Underwriters, in view of this request, has issued a notice to the companies interested requesting them to withhold their answer to the circular until a meeting of the committee on laws and legislation can be held, when its conclusions will be submitted to companies.

VARIOUS ITEMS.

—H. B. Washington has been appointed agency superintendent of the Hamburg-Bremen for the Pacific Coast.

—Dividends amounting to 55½ per cent on the unearned premium fund of the Windham County Mutual Fire of Brooklyn, Conn., which company decided to wind up its affairs several months ago, owing to heavy losses, are being paid.

—The bill providing for the State payment of expenses of the examination of domestic fire companies, which passed both Houses of the Vermont Legislature, has been vetoed by the Governor. The legislature has adjourned.

—Elsewhere in this number of THE SPECTATOR will be found an advertisement in which 200 shares (or any part thereof) of stock of the New Brunswick Fire Insurance Company of New Jersey, are offered for sale at ninety per cent, or \$22.50 per share.

—William Thomson & Co. of St. John, N. B., have purchased the charter of the Ontario Fire Insurance Company of Toronto, and are applying for a Dominion license. The company will have headquarters at Toronto. The capital was \$500,000, of which \$325,000 is now being subscribed for. W. E. Fudger will act as managing director.

—The National Board of Fire Underwriters is preparing to send copies of its National Building Code to mayors of cities, chiefs of fire departments, boards of fire underwriters, trade and commercial bodies and special agents throughout the country, with a view to the education of public officials and other influential persons, looking to the gradual betterment of structural conditions and the reduction of the fire hazard.

—Secretary Putnam, of the National Association of Local Fire Insurance Agents, states that some correspondence has occurred with Law Brothers, Western managers of the Royal, relative to the matter of the expirations of former agents of the German of Freeport, and that a satisfactory understanding had been reached. Law Brothers ask that the business of the German, which the Royal purchased, shall be carried to expiration, while, on the other hand, they announce that they will make no attempt to disturb the renewals of former German agents at expiration. Considerable interest existed among agents in regard to the probable attitude of the Royal in this matter, and inquiries were made of the National Association leading up to the correspondence referred to. Secretary Putnam states that he sees no reason why German agents, where they felt sure that their interest in the renewals would be recognized by the Royal, should not be glad to carry the business to expiration. Such cancellations as

have occurred have undoubtedly been largely due to the fear that their expiration rights might not be observed.

TOO LATE FOR CLASSIFICATION.

—The Bankers Mutual Casualty Company of Minneapolis has been authorized by the Minnesota Department.

—John H. Rose, district manager of the Continental Casualty at Columbus, Ohio, has been given charge of the city agency at Denver, Col.

—L. C. Robens, who will, on January 1, retire as agency director of the Reliance Life of Pittsburg, is organizing a life company, which will be capitalized at \$500,000, with a surplus of \$250,000.

—Insurance Commissioner Vorys of Ohio has notified all casualty companies doing business in that State that they must limit their operations strictly to the lines for which they are chartered and licensed.

Casualty, Surety and Miscellaneous

Norwich and London Accident Insurance Association to Enter United States.

The above-named association, which was organized in 1856, is about to enter this country. The subscribed capital of the association is \$1,000,000, half of which is paid up. The stock was recently quoted in London at £23 per share, and the dividends of the company have run as high as nineteen per cent. The annual income is about \$1,500,000 and the present assets amount to \$2,250,000. The company is closely allied with the Norwich Union Fire. The deposit of \$200,000 required by New York State will be made and a substantial fund placed in the hands of trustees for the protection of United States policyholders. Personal accident and employers liability will be the first lines taken up here. Not the least interesting feature of this move is the announcement that Almon B. Cilley, so well known in accident insurance circles and formerly general agent in Boston for the United States Casualty Company, has been appointed United States manager. The principal United States office of the company will be in Boston. Mr. Cilley occupies a very high position in insurance and general business circles, notably in Boston and New England. He was born in New Hampshire in 1865 and has made a signal success of the casualty insurance business.

The Travelers Indemnity Company.

The Travelers Indemnity Company, which was chartered in 1903 with an authorized capital of \$2,000,000, has been incorporated with a cash capital of \$250,000 and a cash surplus of \$62,500, owned and controlled by the Travelers Insurance Company of Hartford. The new concern will begin business on January 1, with steam boiler insurance as its leading line. The company's charter permits it to do all kinds of casualty underwriting, and the directors are all directors of the Travelers Insurance Company. It is expected that on January 1 the new company will be prepared to write steam boiler and fly-wheel insurance in the New England States, New York, New Jersey, Pennsylvania, Ohio and Michigan, but it will not write any of the lines now written by the old company, except reinsurance. The business will be handled through the liability staff of the present Travelers. Lynton T. Block and E. Stuart Goldthwaite will be active in the home office management and the inspection service will be looked after by George Gilmour, and agency matters will be in charge of Major H. A. Giddings.

Oklahoma's New Laws.

Surety companies operating in Oklahoma are protesting vigorously against the continuance of the law governing this class of underwriting. A constitutional convention is about to formulate new laws for this Territory and the members of the convention are being urged to eliminate the Oklahoma law requiring surety companies to make a deposit of \$50,000 in cash with the territorial treasurer. The law is said to have created a monopoly of the surety business and higher rates in Oklahoma, and if it is repealed many reliable companies will enter.

Travelers Insurance Company's New Contract.

The Travelers of Hartford announces a new accident policy, form "E," taking the place of the "D" and "G" forms. It contains the five and ten per cent accumulation feature, according to method of payment of premium; extension of the ninety-day limit to two hundred weeks under circumstances stated in the contract; provision for weekly indemnity in addition to specific benefits for death, dismemberment and

loss of sight, if insured is wholly disabled from date of accident to date of such effects; insurance of beneficiary by attachment of free rider; identification provision; three and one-half per cent guaranteed trust provision. The rate is the same as for the "D" and "G" forms. The company will issue the general disability policy, form "G-H" for three and six months' terms at pro rata premiums.

Personal Surety Fails.

Last week interest was revived in the embezzlement of funds of the Globe Savings Bank in Chicago, by its president, Charles W. Spaulding. The case brought to light a striking example of the total inefficiency of personal surety. Fred W. Norwood, a life insurance agent, filed a petition in bankruptcy, giving liabilities of \$231,467, of which indebtedness \$231,337 is due the University of Illinois. The claim of the university arises through the signing by Norwood of Spaulding's bond when he was selected treasurer of the institution. When Spaulding was sent to prison suit to recover from the bondsmen was begun by the college authorities. Most of them had taken refuge in the bankruptcy courts, and Norwood, according to Attorney Bradley, his counsel, was held responsible for the full amount of Spaulding's defalcation. Norwood gives his assets at \$290.

Bonds in Indian Territory.

The Eastern bonding companies are deeply interested in business methods in Indian Territory as revealed by the statements made before the United States Senatorial committee by C. M. Bradley as to the sale and management of Indian lands. The bonding business in Indian Territory is principally in furnishing bonds for guardians of minor estates and in the Creek and Cherokee nation, in separate bonds for guardians for minors who have oil leases. The bonding companies charge \$10 for a bond for \$1000 and \$5 for each \$1000 over that up to \$10,000. For larger bonds the rate is less. The companies appear to be making an investigation of conditions in order to ascertain whether, under present conditions, rates should not be advanced.

Colonial Casualty Company.

The Colonial Casualty Company of Huntington, W. Va., has commenced business with an authorized capital of \$100,000, all of which is subscribed, and, it is said, will be paid in cash by January 1. The company will write personal accident and health insurance, and has the following official staff: President, L. V. Guthrie; vice-president, Peter Silman; secretary, J. H. Hornburg; insurance manager, U. S. G. Anderson.

Penniman Elected President.

Last week, at a meeting of the directors of the United Surety Company, Henry G. Penniman was elected president to succeed Wm. G. Hoffman, resigned. E. B. Livingston, head of the surety department, resigned, as did also George G. Brown, general manager of the company.

Casualty Notes.

—During 1905, 1802 postoffice burglaries were reported.

—W. A. Abbott has resigned as New York city manager of the burglary department of the United Surety Company.

—The Federal Casualty Company of Detroit and the Columbian Insurance Company of Indianapolis have consolidated.

—The Central Accident paid \$30,000 to the widow of Francis T. Redwood of Baltimore, who was killed in the recent wreck on the Southern Railway.

—Gardiner M. Lane, of Lee, Higginson & Co., bankers, of Boston, Mass., has been elected to the board of directors of the Casualty Company of America.

—F. W. Porter, manager of the Metropolitan Casualty at Rochester, N. Y., has been transferred to Chicago to manage the general agency of the accident department.

—William Thomson & Co. of St. John, N. B., have acquired a controlling interest in the Accident and Guarantee Company of Canada, the management of which will be carried on from Montreal.

—At a recent fire in this city a large quantity of goods were reported to have been stolen, and a claim made upon the burglary insurance company. The fire occurred in the adjoining building and the firemen broke in next door and extended lines of hose. The burglary company claims that it is not liable because the policy exempts it in case loss follows

an alarm of fire. Some underwriters are of the opinion that the insured could make a very good case out of the contention that the loss was caused through theft of outside workmen.

—The Union Health and Accident Company has been organized in Colorado and is said to have a capital stock of \$100,000, fully paid in, and a large surplus. William Thorne is president, and W. B. Colvin, secretary.

—The Farview Casualty Company, recently organized at Burlington, Vt., expects to begin business in February. The official board is composed as follows: Vice-president, Henry C. Gleason; secretary and insurance manager, A. Chase; treasurer, H. H. Hickok.

—The new industrial accident policies of the Pacific Mutual Life introduce the beneficiary feature and insurance of children, the latter as to death or dismemberment and the former as to common carrier accidents. These features have not been in use in industrial policies, but have appeared for some time in the commercial class.

—Claude M. Seeley of Seeley & Co., general agents for the Fidelity and Casualty in Washington and Oregon, with headquarters at Tacoma, was in town this week. This firm represents several fire companies in Seattle and Tacoma, and after January 1 will have a branch in Portland, Ore., to facilitate its steadily increasing business.

—Attorney-General Mullan of Iowa has decided that bank deposits cannot be made a subject for insurance in that State. He also holds the opinion that banks cannot hold stock of a company organized for the purpose of insuring bank deposits. Parties in Iowa have been inquiring about the legality of organizing such a company and the Auditor of State sought an opinion from the Attorney-General on the subject.

—Several Insurance Departments are advocating that in the premium lists submitted to the Departments by accident companies writing on the industrial plan, the five-dollar fee received from new insureds be included for taxation purposes. This would materially swell the premium income and the taxes thereon and a larger reserve would be necessary, all of which would materially lessen the profits of industrial accident companies.

—V. D. Cliff, secretary of the United States Health and Accident of Saginaw, Mich., has resigned as of January 1, to accept the presidency of the Federal Casualty of Detroit. This company will be managed by Mr. Cliff, Peter Patterson, its secretary, and Chas. H. Brackett, now secretary of the Columbian Insurance Company of Indianapolis, which has united with the Federal. They are all experienced underwriters and the combined assets of the two companies will reach \$175,000. About 25,000 policyholders are carried upon the books.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, \$7; book only, \$5; monthly supplement only, \$2 per annum.

Austrian Phoenix Insurance Company, Vienna.

It is reported that this company has repudiated all claims under its policies arising from the losses sustained by its policyholders in the San Francisco conflagration. These claims are understood to aggregate over \$2,000,000 gross.

British America Assurance Company, Toronto.

Western Assurance Company, Toronto.

At recent meetings of the boards of directors of these companies an issue of 7 per cent preference stock was authorized for each company—\$550,000 for the British America and \$1,000,000 for the Western—the price of subscription to be 125 per cent. The whole amount is reported to have been underwritten free of commission. From this issue \$687,500 will go to the British America, and \$1,250,000 to the Western. The stock is to be paid for in full as soon as it can be issued. Meetings of stockholders have been called to comply with the required formalities. Stockholders are entitled to subscribe to the new issue in proportion to their present holdings.

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NEW BRUNSWICK FIRE INSURANCE CO. STOCK

Any part of 200 shares at 90%, or \$22.50 per share.

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THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, July 5, 1906.

ON BEING GAME.

BY A WESTERN AGENT.

During the last two or three years I have had one or two small transactions which have brought me into contact with real estate agents. One agent in particular, who persistently tries to sell me a house that I would not have as a gift, has a form of appeal which he invariably closes with. When he has worked up to a climax, he will say, "Come on now, H—, make me an offer. If you don't you are not game."

In its bald and prosaic form the injunction to "be game" might not impress many persons as being a powerful incentive to action, but in reality it is, and it is based on one of the fundamental laws of human nature. Even I am responsive to it, although it has so often failed to move me that if by some marvelous coincidence all the persons who have unsuccessfully applied the stimulus got together to discuss their failures, they would probably decide that I have no human nature in me. The reason that I seem to be so lacking in "gameness" is because my interests do not belong to what might be called a strictly popular class, and those who have attempted to stimulate me in times past have never touched my class pride. I care nothing for what are called the sports. It does not matter to me whether a certain horse wins a race or a particular baseball team wins a game. Consequently, when a sportsman attempts to nag me into making a bet on the issue of some contest, I am as cold as a stone. If he taunts me with "not being game," I believe that I customarily reply, with the utmost satisfaction, that I make no such pretensions, but, as I have already somewhat imperfectly said, I do. When it comes to card playing, horse racing, or athletic sports, it is true that I have no "gameness," but in my own particular class of interests I am as "game" as most men, as I will illustrate.

I have a friend who is the owner of a large business block. He is a prominent citizen, educated, well-read and a man of intellectual tastes. At the close of the day I occasionally call at his building and we walk home together. Not long ago I called at the usual hour, but he was not just ready. "I am having some repairs made in the motor room," he explained. "Come and walk up with me until I see how the work is getting on, and I will go home with you." Six flights of stairs lay between us and the motor room, and I have gone over the ground before. I was also tired, and I begged to be excused. However, he gave the command, "Come on, now, or you are not game," and I altered my determination in a moment. "Very well, Mr. V—," I replied, "there are not many persons who could induce me to climb six flights of stairs by appealing to my 'gameness,' but you are one of them."

The reasons why I could be taunted into climbing to the top of a six-story building when I was tired and disinclined, are as follows: My friend is in a class to which I will not say that I precisely belong, but it is a class to which I aspire. If I desire to be associated with a certain class, I must fall in with the spirit of that class. That is the absolute law of all our social relations in this world, and no man can escape from it and still have a place in society. If a man will not bet, he can have no standing with the betting fraternity. If he

will not be honest, he cannot be in favor with honest people. If he will not read, he cannot have fellowship with reading people. Men by their businesses, professions, tastes, and even recreations, are divided into a great number of distinct classes, and each class has a spirit or a standard which it is not "game" for any member of that class to ignore. The doctor, for example, who would be actually afraid to enter a sick room, would be the scorn of all the reputable physicians of his class. The public speaker who would run away from an audience would earn the contempt of his class. The life insurance agent who would avoid an interview with a prospect would not be considered an agent at all.

By much talk about myself and my foibles, and by numerous illustrations, I have gotten to the point where I feel that I have made reasonably clear a very important law of human nature. In scientific terms, this is called a psychological law, the law, namely, that a man's business, taste, or activities puts him into a certain class, and that he must conform to the spirit and the standards of that class or he will be in dispute with it.

It is of the highest importance that an insurance agent should understand this law and how to take advantage of it, and the practical maxim which may be deduced from all that I have said is this: A solicitor should be able to demonstrate to a prospective applicant that the spirit and standards of his particular class require him to carry life insurance. In the popular expression of it, that he is not "game" if he fails to carry life insurance. For example, every husband belongs to the class of married men. Once it was of no consequence that a man died and left his wife to charity or to the poorhouse, but protection to the wife is now one of the ethics of the married class. If a husband resists all other arguments for insuring his life, the agent can often clinch matters by saying: "No man is considered a first-class husband nowadays who fails to carry life insurance. He violates one of the standards of his class by not doing so, and is frowned upon. He has not the class spirit—he is not 'game.'"

The minister preaches that a man should provide for the safety and comfort of his soul in the future by looking carefully to his conduct in this life. When, in the early days of life insurance, the solicitor approached the minister, the minister urged that he would trust his family and his flock to Providence. Then the solicitor pointed out that if Providence expects a man to give some personal thought to his soul's salvation, He might also expect him to give some thought to the bodily salvation of his family. Generally the minister was overcome by the force of the argument, so that in the present time the intelligent minister preaches the salvation of both soul and body, and is often a very good missionary on behalf of life insurance. It has thus become a kind of religious standard to protect the family and the family's interests. The man who can afford to carry life insurance is not a Christian in the highest sense if he fails to do so. He is not living up to the spirit of his class—is not "game."

The doctor more or less advocates carefulness in diet, exercise and fresh air, in order that the body may be kept in good repair. But he has also learned that thrift is conducive to good health, and so he

has come to make life insurance a part of his personal standard. The doctor must be insured or he is not a first-class doctor.

Every man belongs to several classes, and he has more or less pride in all of them, but he is likely to have a favorite. It is the solicitor's business to find out what special class feeling is strongest in a particular prospect. A man may be a banker, a Christian, a philanthropist and a writer all in one. If he is prouder of being a banker than he is of being anything else, the solicitor must demonstrate to him that the spirit of the bankers' class requires him to take life insurance. Usually this can be done by citing a liberal number of the most prominent bankers who hold policies.

I have a ministerial friend who is fond of books, chess and golf. He has a strong pride in his chess playing, but more in his duties as a minister. When I talked life insurance to him, I did it from his ministerial side.

Any class feeling or spirit that a man has may be regarded as a weak point which the solicitor may attack, but the strongest class pride is a man's weakest point for the solicitor's purpose, and he should be careful to attack it.

To give a final illustration: Andrew Carnegie has set about disposing of his fabulous millions, but he has determined to present his gifts in the form of books or education. If a community will accept and support a library, Carnegie will bestow \$25,000 or \$50,000 as freely as the average man will part with 5 cents, but to all appeals for money for other purposes he is as deaf as the proverbial post. As a reformer, he has put himself into a class of one and has set his own standard. When it comes to anything outside of that standard he is not "game."

The solicitor should always remember that every man is "game" on some point, but he should be sure that he has the right point before he makes his assault.

THE PUBLIC LACK OF DISCRIMINATION.

When the public gets hold of a hobby it is apt to ride it furiously and without discrimination. Some time ago the papers were full of denunciations of the Standard Oil corporation, and the public was led to look with suspicion upon everything and everybody connected with that great industry; more recently there have been exposures of graft in connection with the Pennsylvania Railroad, and as a consequence the public looks upon all railroads as corrupt in some way; then the investigation of the slaughter houses of Chicago has turned the public against the meat industry in all its ramifications, classing all branches of the industry on the same plane as the worst of the Chicago establishments. So it has been with the life insurance investigation. The Armstrong committee found that certain persons had been false to their trusts, and the sensational papers took up the hue and cry, exaggerating and misrepresenting everything connected with the business until the public at large became fairly hysterical on the subject, and condemned life insurance in all its forms. The investigating committee finally issued a statement to the effect that the companies investigated were entirely solvent, and advised policyholders to keep up their policies. But the damage was done, and many policyholders, in the heat of the moment, sacrificed their policies and the benefits that had accrued under them, while many others were deterred from providing that protection for their families that is afforded by life insurance. The business of the companies was greatly injured, the companies against whose management there had not been a breath of suspicion, suffering correspondingly with those against whom the most serious accusations had been made. The unreasoning public made no discrimination, but put all companies in one category and condemned all alike. The system of life insurance is the same great beneficent institution that it was before the investigation began, and the managers are honorable men of high standing, whose characters are unblemished. These companies are entitled to the confidence of the public as fully as ever, and should not be discriminated against because of the misdeeds of a few men with whom these conservative managers had nothing in common. Even the companies whose officers betrayed their trusts are in excellent financial condition, and have been reorganized upon lines that seem to preclude the possibility of misappropriation of company funds in the future.

It is this unreasoning indiscriminating condition of the public mind that has worked almost irreparable injury to some of our greatest industries, and brought our country into disrepute among other nations. The Standard Oil Company is not all bad, but on the contrary has been the means of giving the public cheaper and better oil than it had previous to the formation of the "oil trust," and in addition has developed by-products that have given employment to thousands; our railroads are not all corrupt, and without them the country could never have attained the development we now enjoy; that there is room for improved methods in connection with some of the slaughter houses is demonstrated, but there are others whose plants are maintained in an approved sanitary condition and are not amenable to the wholesale criticisms that have been poured out against the packing business. So it is with life insurance, the misdeeds of a few men in no way reflect upon the beneficence of the system, nor do they impeach the character and integrity of the men who are in charge of the management of the companies in general. The men who brought disgrace upon themselves and discredit upon the system of life insurance have been consigned to obloquy, and their names made a stench in the nostrils of the people, while still further punishment as criminals awaits some of them. It is time the public recovered from its attack of insurance hysteria and applied its reasoning powers to arrive at a proper discrimination between that which is good and that which is bad, and to give proper credit to those men who have fought the good fight in behalf of the right, and in the face of all temptation have steadfastly safeguarded the interests of their policyholders whose trust had been reposed in them.

NO PROFIT FROM LAPSES.

The following excellent article is condensed from The Statement, and will be endorsed by every person familiar with the subject:

One of the many popular errors relating to life insurance is the very general belief that the companies realize large profits from lapsed and forfeited policies. It is, however, a question of grave doubt whether any company, taking its business as a whole, is able to save itself from actual loss in the matter of withdrawals. Certain it is that every company, so far from encouraging lapses, which would be the natural course if a profit were to be realized therefrom, makes the most strenuous efforts to prevent default in payment of premiums. Every policyholder who has ever permitted a premium to pass the regular day of payment knows how promptly and urgently he has been importuned to pay up within the thirty days of grace allowed by the contract, and how he has been reminded again, as the period of grace neared completion, not to permit the policy to lapse. The fact is that the initial expense incident to placing the policy upon the books of the company more than offsets any resulting forfeiture within the first two or three years; while the contract calls for a surrender value at the end of the third year and thereafter, quite as liberal as may be allowed without incurring actual loss.

Probably the popular impression that a profit is made from lapses grew out of the fact so often explained that, in the case of deferred distribution policies, those who maintain their insurance in force until the end of the distribution period profit by reason of the lapses that accumulate during the period. While this is true, it does not follow that the lapse itself results in any profit to the company. To illustrate: suppose we have one thousand policies all issued in the same year on the twenty-year distribution plan. Certain profits accrue yearly from saving in mortality, excess of interest earned, saving from loading, and from other sources. If the policies were all to remain in force until the end of the period, the accumulated profits would then be apportioned among the original one thousand members. If, however, seven hundred should terminate during the period, the accumulated gains would be divided among only three hundred at the end of the period. Although the lapses do not themselves yield a profit to the company, they do inure to the advantage of the persistent members, since the greater the number of the lapses, the fewer members there will be at the end of the distribution period to share in the accumulated fund, and the greater will be each one's share.

In the case of annual dividend policies, the profits are divided at the end of each year. For example: in some companies, a dividend is payable at the end of the first year and of every year thereafter. In a number of other organizations the first dividend is not payable until the end of the second year and annually thereafter; but in not more than one or two companies is the dividend accruing at the end of any year to be allowed at all, unless the premium of the succeeding year is first paid. Some companies, however, will allow the dividend in the form of a paid-up addition in any year after the policy becomes entitled to paid-up insurance, whether the premium for the succeeding

year has been paid or not. In nearly all companies, at the end of the first or second year, the dividend is forfeited if the policy lapses.

It is obvious that the more successful that unscrupulous agents, known as "twisters," are in persuading policyholders to surrender their contracts with a view to starting over in another organization, the greater will be the resulting dividends to those that remain. It is obvious also that the pernicious work of the "twister" does not benefit the policyholder who lapses, for he loses his accumulated gains, but does inure to the benefit of the policyholder who maintains his insurance in force. The thrifty man, therefore, will readily see in which direction his interest lies.

THE NEW YORK LAWS AND OTHER STATE COMPANIES

Commissioner Theron Upson of Connecticut, in his annual report just issued, refers to the New York laws as enacted at the recent session of the legislature, and their effect upon other State companies transacting business in New York. He says:

The event of paramount importance for the business of life insurance during the year has been the enactment by the State of New York of amendments and additions to her insurance law, thereby forming a code more drastic in its requirements than any similar body of law heretofore enacted either in this country or abroad. This new law must necessarily be experimental in its nature. It should be borne in mind that it was drafted, not with the abstract thought of producing a model code, but with the concrete idea of promptly and decisively putting a stop to the particular extravagances, misrepresentations and abuses of power disclosed by the New York legislative investigation. It may, therefore, be regarded as a remedy for diseased conditions rather than a preservative of healthy ones, and it is to be hoped that some of its more paternal requirements may in due time be deemed no longer necessary.

Connecticut companies have, I believe, neither the inclination nor the opportunity to indulge in the practices which have been the main cause of public censure in the case of the great New York corporations. This new law, however, vitally affects Connecticut interests, in that many of its provisions are made applicable to companies of other States doing business in New York. Connecticut companies have too much at stake to permit them to withdraw from so wide a field without severe loss, and they are preparing, in one way or another, to qualify under the rules laid down by the new statutes.

At the request of the Commissioner the actuary of the Department, J. H. Woodward, prepared a summary of the features of the new laws that bear upon the companies of other States. The following are enumerated by him as the general provisions applying to all companies doing business in New York:

1. All real property except such as is requisite for the convenient accommodation of business must be disposed of within five years from date of acquisition, unless this time is extended for cause by the Superintendent of Insurance. This provision applies not merely to life companies, but to all insurance corporations transacting business in New York.
2. All participating policies issued in the State of New York on or after January 1, 1907, must provide for the distribution of surplus annually and not otherwise.
3. Every company must report any excess of its policy reserve over that computed according to the new minimum standard of valuation prescribed by law. This standard is as follows: For policies issued prior to January 1, 1901, the Combined Experience Table of Mortality with four per cent interest; for policies issued on or after that date, the American Experience Table with three and one-half per cent interest, the select and ultimate method of valuation to be used for policies issued after January 1, 1907.
4. No company issuing preliminary term policies may do business hereafter in the State of New York.

EXPENSES TO BE LIMITED.

1. Aggregate first year expenses must not exceed the aggregate total loading on first year premiums plus the present value of the assumed mortality gains for the first five years of insurance as ascertained by the select and ultimate method of valuation on the basis of the American Experience Table of Mortality with interest at three and one-half per cent.
2. Total expenses, excluding investment expenses, must be kept within the total loadings plus the select and ultimate mortality gains on the net basis adopted by the company for valuation. Stock companies issuing non-participating policies exclusively are exempted from this provision.
3. All additional compensation to agents in any form, based on the volume of business written, is prohibited.
4. Commissions on renewal premiums are specifically limited in number and amount.

5. Advances to agents on the security of an assignment of their interest in renewal commissions are prohibited.

There are a number of additions also to the requirements in making up the annual statements.

PRESIDENT HEGEMAN AND RENEWAL PREMIUMS.

A friend of President Hegeman of the Metropolitan Life recently sent his renewal premium directly to Mr. Hegeman, saying that "these be strenuous times insurancewise," and that the payment of premiums for life insurance was a serious tax on the pocket-book. To this he received a reply, adorned with the picturesque signature of Mr. Hegeman. He always writes his name bold and large, as though he thought the addressee was deaf and he was talking to him through a megaphone. The following is his letter, with his sign manual appended:

THE METROPOLITAN LIFE INSURANCE CO.

JOHN R. HEGEMAN, President.

NEW YORK, June 22, 1906.

My Dear Friend: Thank you for yours of the 21st and its enclosure.

It is too bad that we do not know the "appointed day" beforehand. Then we could save our premiums till just before the final summons, and the "strenuous times" meanwhile would be largely avoided.

I wish I were rich and could pay the premiums of a number of good friends, just for the pleasure it would give me. I would put your policy close to the top.

But alas!

It is too bad that we are so constructed that we have to keep track of the renewal premiums due to the butcher and the baker, the tailor and the shoemaker—but so it is.

Tramp! Tramp! Tramp! the dollars are marching, to sustain *us* while we are here and to sustain our dear ones when we are in the Hereafter.

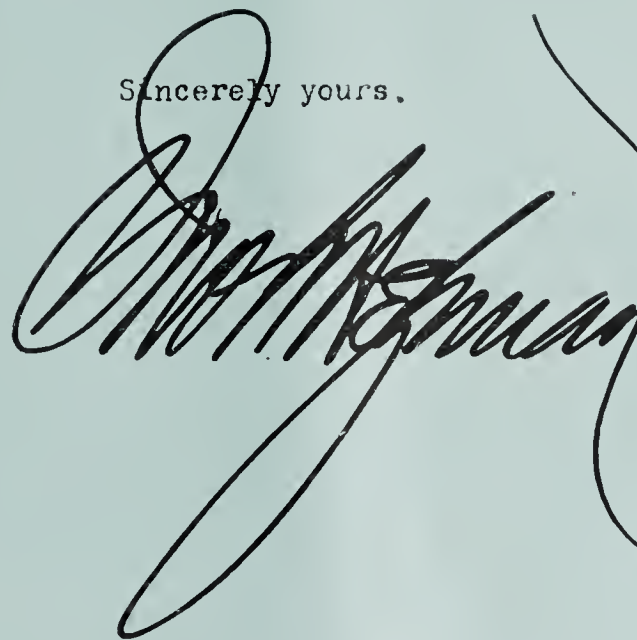
Life insurance, though, has this advantage: we only have to renew it once a year. The other things demand their dues daily.

Be good. Keep happy. And though, as you say, "these be strenuous times insurancewise," *just think how much worse they might be.*

Find renewal enclosed. You are good for a whole year!

Believe me,

Sincerely yours,



President.

COMMERCIAL MEN AS PROSPECTS.

A wide-awake and popular life agent has, among his customers, several who hold official positions in commercial organizations.

From these the agent requests the names of the members of the organizations, all of whom are, of course, business men, together with any marked personal peculiarities or traits of character in them which his customers may know, and something about their business affairs. These points of information, very useful to the life agent in approaching new prospects, secretaries of the commercial organizations are able to give—and glad to give, to this agent.

To this list the agent has mailed the literature of his company, in preparation for personal calls.

The plan is a good one, and the prospects thus obtained are apt to be promising ones.

WHY SOME WIVES OPPOSE LIFE INSURANCE.

"It's astonishing," said a special agent, "when you come to think of it, how many men are prevented from insuring their lives by their wives.

"Some wives will say that they don't believe in life insurance, but they have no reason to give for the statement, unless it is 'because.' Others pretend that they 'can't bear the thought.'

"Sometimes these statements are sincere, because the wife may feel that money paid on a life policy is the price of her husband's life. In such a case, you must explain to her that a life insurance policy was never known to kill a man; that he will die just as soon, and no sooner, if he is uninsured as if he is insured; and show her how much better it is for her to be left alone with several thousand dollars than with, perhaps, nothing.

"But there are other wives who oppose their husbands insuring their lives because it takes money, for the payment of premiums, from the weekly or monthly income which she thinks she should have to spend on the children or herself. She concerns herself only with the present.

"In this case she must be made to see that, if the family provider were taken away, she would have no means except what she and the children could earn, which, at best, would be little, with her family to care for. She must be made to understand that it is far better to make a little more sacrifice, economize just a little more while the source of revenue is in life and health, to provide for the future. She does not know, of course, that she will survive her husband, but it is the uncertainty of life which renders life insurance desirable."

THE PRESS THE MODERN PILLORY.

The news that Walter R. Gillette and Robert C. Granniss have been indicted for a felony will appear in practically every daily newspaper in the United States, and in many published abroad. On reading the dispatches, thousands of people will exclaim: "Of course, these insurance thieves are guilty; but if they have clever lawyers, they will escape punishment." Nothing could be further from the truth. They will not escape. They are already overtaken by punishment, swift and terrible. They sit in our modern pillory, exposed to the contempt of the whole world.

We do not need to sigh for the good old days when men were hanged by wholesale. Our laws are milder in their operation, but the extra-legal machinery for detecting and punishing crime is far more elaborate and powerful. By this we do not mean to say that it makes no difference whether rich and influential malefactors succeed in keeping out of State's prison. The apathy of prosecuting officers, their fear of men who can hire the most astute and unscrupulous lawyers, the miscarriage of justice in the case of wrongdoers who are high in politics and finance—all these things fill the souls of honest men with resentment. But the convict's stripes are not all. True, the outcast on the Bowery has no dread of social ostracism; his mind is affected by nothing short of a term at Sing Sing. But for men like Dr. Gillette and Mr. Granniss the newspaper pillory is far more painful. However they may fare with the petty jury, whatever their success with evasions and appeals, they can never live down their disgrace. They, their children, and their children's children will continue to dwell under the black shadow of this scandal.

Any one who lightly says that our rich lawbreakers escape scot-free has but to remember the presidents of the three big insurance companies. The most fortunate of them all is John A. McCall, who died after but a few months of intense mental suffering. James W. Alexander is wrecked in mind and body. Richard A. McCurdy no longer dares to mingle with his former associates and friends. He knows that everybody who recognizes him points to him as a violator of trust, a greedy robber of widows and orphans. And Depew? No more public dinners; no more interviews in the press; no more boards of directors listening to his sallies of wit; no more orations in the Senate. Has John D. Rockefeller come through his ordeal unscathed? Let no one imagine it. The pathetic eagerness with which the Standard Oil Company has seized and circulated every utterance that might be construed as a defense of Standard Oil methods is proof enough

that John D. Rockefeller's wounds are unhealed. He is aware that whenever he gives to church or college, high-minded men and women protest that his money is tainted; and that most of his countrymen regard the huge industrial organization of which he is the head as a fitting monument to his ruthlessness and duplicity. And the meat-packers surely have not gone unwhipped. They are facing a whirlwind of wrath and denunciation; and their business is slipping from their grasp—millions of dollars each week. They cannot within a generation rebuild the shattered edifice of public confidence.

We often fail to realize how tremendous an engine of retribution the press has now become. It is the old Greek Nemesis, a thousand times more potent. "Look at that, Pen," said Warrington, as they passed a newspaper office in the Strand. "She never sleeps. She has her ambassadors in every quarter of the world—her couriers upon every road." To-day we may add, "Her winged ministers of vengeance in every town and hamlet." Men not yet old can remember when those who had failed in the East through folly or sin could start again in the West, unknown, and make a new name for themselves. John H. Mitchell went under a cloud from Pennsylvania to Oregon, and rose to be United States Senator. But the complete organization of such an institution as the Associated Press is destroying the last refuge of such offenders. The names of Gillette and Granniss are staring this morning from the first page of The San Francisco Chronicle, The Portland Oregonian, The Seattle Post-Intelligencer, and even The Nome Nugget. These former officers of the Mutual Life sit in the stocks before the eyes of everyone who can read. Literally, then, there is a time when men may begin to say to the mountains, "Fall on us," and to the hills, "Cover us." For whatever the shortcomings of district attorneys or the defects of legal process, our criminals are still scourged with scorpions.—The New York Times.

PREPARING FOR THE WINTER'S CAMPAIGN.

A well-known life insurance solicitor, who is a prolific writer and able to allow himself a freer hand than a smaller producer, usually takes things rather easy during the "heated season" of summer.

That is, he does very little actual soliciting, unless it may be clinching applications that are as good as his already.

During the summer, he makes it his principal business to prepare for the winter campaign by adding to his list of prospects. He sends out a large amount of literature to carefully selected lists, and devotes a good deal of attention to obtaining information about the new prospects which will be useful to them when he gets after them.

He arranges them in his card index, and when he begins solid work in the fall he has enough prospects to keep him busy all the rest of the year.

By following this plan, he saves time in what he considers the best part of the year for soliciting, the fall, winter and spring, and he is also enabled to take things a little easy himself during the vacation period.

UNWELCOME NOTORIETY.

A prominent Boston life underwriter, now dead, had at one time as a protege the son of a very particular friend, a pleasant, gentlemanly young fellow, but always ready to make a bet or take a hand in a quiet game, and on this account it was thought best by his parents to send him to the city on a limited income, with the hope of breaking away from old associates and of getting some business energy into him.

The underwriter gave him some good, wholesome advice and started him along in business, particularly instructing him to "get his name before the public," "to let people know that he was living," etc.

Not very long after this city debut the underwriter, very late one evening, was requested to call at a nearby police station. The young man, it appeared, had got into a very noisy game and was arrested, but not before he had been cleaned out of everything he possessed.

"Well, young man," said the life underwriter, "this is nice, isn't it?" "Well, sir, you told me to get my name before the public."

"Oh, yes; but I didn't tell you to have a judge and jury go with it to fix the advertising rates," was the retort.

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, July 19, 1906.

NEW LIFE INSURANCE COMPANIES.

During the past eighteen months there have been a larger number of new life insurance companies projected and organized than at any previous time in the history of the business. Even the boom time for organizing companies between the years 1867 and 1871 has had its record surpassed, and the end is not yet in sight. The Compendium of Official Life Insurance Reports for 1906, published by The Spectator Company, which will be issued in a few days, gives a list of 132 old-line or legal reserve companies, all of which had been licensed by July 1 of the current year. At the close of 1904 the number of companies reporting to the several insurance departments was 93, including two small concerns which ceased operations in 1905. At the end of last year the number of licensed companies had increased to 112, making a net gain of 19, and since that time 20 new concerns have been added to the list, while about 30 others are in process of organization in various sections of the country.

Following is a list, arranged by States, of the new and reorganized companies licensed since January 1, 1905, up to July 1:

Alabama—Southern States Life, Birmingham, executive offices at Atlanta, Ga.

California—West Coast Life, San Francisco, also writes industrial.

Colorado—Capitol Life and Colorado National, both of Denver.

Florida—American Life, Tampa, also writes industrial; Florida Life, Jacksonville.

Georgia—State Mutual Life, Rome, reorganized.

Illinois—Scandia Life, Chicago, reorganized; United States Annuity and Life, Chicago.

Iowa—Cedar Rapids Life of Cedar Rapids.

Indiana—Central Union, Indianapolis Life, Majestic Life, Reliable Life, all of Indianapolis; Intermediate Life, Evansville, reorganized; La Fayette of La Fayette, and Lincoln National of Fort Wayne.

Kentucky—Commonwealth of Louisville, also writes industrial.

Louisiana—Louisiana National, New Orleans.

Minnesota—Northwestern National, Minneapolis, reorganized.

Mississippi—Lamar Mutual, Jackson.

Nebraska—Midwest Life, Lincoln.

New York—Buffalo Life, Buffalo; Life Insurance Club, New York.

North Carolina—Greensboro Life, Greensboro; Southern, Fayetteville; Carolina Life, High Point.

Ohio—Midland Mutual, Ohio State, both of Columbus.

Oklahoma—American Mutual, Oklahoma City.

Oregon—Columbia Life and Trust, Oregon Life, both of Portland.

Pennsylvania—Philadelphia Life, reorganized; United American, both of Philadelphia.

South Carolina—Southeastern Life, Spartanburg.

South Dakota—Western Mutual of Aberdeen.

Texas—American National of Dallas, also writes industrial; Fort Worth Life of Fort Worth, Guarantee Life of Houston.

Utah—Beneficial Life, Salt Lake City.

Virginia—American National of Lynchburg.

Washington—Guardian of Seattle.

West Virginia—Southern States Mutual, Charleston.

The foregoing list embraces twenty-six States, in twelve of which there were no domestic companies prior to 1905. It will be noted that nearly all the new companies are located in the West and South, the New England States being entirely unrepresented, while but two have been formed in New York and two in Pennsylvania. It is scarcely to be expected that all the companies enumerated herein will survive more than a few years, but it is apparent that local competition for life insurance business will receive great stimulus, and the growth of large corporations will be somewhat checked for the present at least.

HOW MENTAL LAWS HELP THE SOLICITOR.

BY A WESTERN AGENT.

When I was a small boy it seemed to me that to catch a real live rabbit was about as much happiness as a human being could reasonably ask for. I never was so fortunate as to capture one myself, but my uncle, who was but a few years older than I, was an expert in the art, and I gloried in his success. His method would doubtless be considered very crude by the sportsmen of the rod and gun type, but it seemed perfect to me. Briefly, he used what we called a box-trap. This machine was made of ordinary unplanned boards, was about three feet long, a foot wide and perhaps a foot high. It had a door at either end, which was held up by a string, and the string was attached to a trigger near the center of the box. We baited the trap with an apple or some other kind of fruit, and placed it where we noticed the largest number of rabbit tracks. Sometimes we set two traps, and when the weather was cold and the ground was covered with snow, we caught one or two rabbits every night.

Now, there is no inseparable connection between these youthful diversions of mine and what I shall presently say about soliciting life insurance, but in looking over some old notes of mine I find a sentence to this effect: "A physical law tends to compel a fish to snap at bait. Its machinery is so set that it must do so. It makes no effort to resist, and could not do so if it desired." I recall that when I made those notes I had a vivid image of my uncle's box-trap in my mind, and it seems to me that certain species of fish are just about such inert machines, with this difference that they have the power of motion and a limited amount of what we call choice in what they do. In trying to realize to myself how nearly a mere machine a fish is, I simply imagined the rabbit trap of my youthful days as having a limited amount of what we call life in it, and I thought that if I ever attempted to write on the subject which I have chosen for this article, that I would use the box-trap as an illustration. I have therefore described it, somewhat imperfectly, it is true, but perhaps my readers have seen the machine and are in a position to catch what I mean.

If it were not for the thing which we call mind, a thing which, by the way, is wonderfully variable in the different human beings, men would be almost exactly on a par with the fish and other lower animals. We have a physical machinery which operates on the same general principles as the machinery of the lower animals, and in many

vital particulars we have no control over it. The feeding of a baby, for example, is purely mechanical. As it begins to have a faint suggestion of mind probably it learns to associate hunger with its mother's breast, but in the beginning the nursing function is mechanical. The infant nurses because its mouth is so set that it will take hold of anything that comes near it. That is the reason that babies and young children put everything into their mouths. They are regulated entirely by a senseless machinery of the box-trap kind, and everything that their hands get hold of must go into their mouths.

Having now, I trust, given the reader some idea of the machinery which governs both the upper and the lower animals, I wish to show some ways in which in the human animal it limits the mind, and how the well-informed solicitor may take advantage of these limitations. Because of the fact that he has so much matter in him, and is regulated to such a large extent by mere machinery, the average man is very likely to become a victim of the law of what I will call nearness. I will venture to say that the scientists call this the law of contiguity, but it is a large and unfamiliar word and don't mean much to those who are not accustomed to dabbling in books. This law of nearness simply means that with a large per cent of men things seem good, useful or desirable, because the men have always been near or familiar with them. For example, take the experience that we call falling in love.

The poets say that matches are made in heaven, and they throw such a glamor of romance around the wooing of lovers that we actually are disposed to believe that it has something in it that comes from an altogether different world. But the scientists and observers of humanity and its laws find that if two young people of the opposite sex are simply thrown together, if they are simply permitted to be near to each other for a reasonable period of time, they will have the experience that we call falling in love with each other. Of course, I mean by being near to each other that they have the opportunity of free association such as lovers are ordinarily supposed to have. When the experience is once completed and the young persons are actually in love, they seem to each other to be the only possible mates on earth, and if unkind parents or circumstances separate them they suffer more or less real agony. And yet before they were brought together, before the law of nearness took them in its grasp, there were a thousand possible mates for each one.

Take the case of the farmer. I have never attempted to collect any statistics of this kind, but I have not the slightest doubt that nine out of ten of the average farmers regard most other occupations as being useless, senseless and unworthy of a real man's attention. I don't mean that this occurs to them in the form of a clear, logical and intellectual opinion, but because of their slavery to their physical machinery, and because of the law of nearness they have a feeling that farming is the only thing in the world that is of consequence. With some exceptions, the calling, business or occupation of each individual in this world inspires him with practically the same feeling. So that it is a psychological fact that the activities of a majority of mankind impress us as so much foolishness.

Now, when the life insurance solicitor attempts to sell his policies he will find that this law of nearness will at first work against him in two or three ways and then it will work in his favor. In the first place, the contrivance known as life insurance itself may be unfamiliar to the prospect. In the second place, the solicitor's company may be comparatively new or unfamiliar to the prospect. In the third place, the solicitor himself may be unfamiliar to the prospect. This may sound as if I were making the matter altogether too profound, but in reality all that I have said is true. Only, all these preliminary hostilities and prejudices are so quickly overcome as a rule, that they seem hardly to exist. But they do, and the solicitor who ignores them will do so at the expense of his pocketbook. A thousand times in my life I have interviewed strangers and submitted a proposition only to find them as cold and indifferent as icebergs. As I have continued to call upon them, and have met them casually on the street or in society, I have been interested to notice that they warmed up in proportion as we grew familiar to each other. They came to take me, my business and my company for granted, to regard the three as necessary and useful components of society, and, therefore, as being worthy of encouragement. Any other solicitor who makes a note of his experiences

and continues in the calling will find my experiences verified in his own.

When a human being is frequently near a thing, when he has its merits often urged upon him, when he becomes familiar with life insurance, with a particular company, with a particular agent, a policy will almost inevitably in time seem to him to be a useful and necessary thing.

I have no special method to suggest whereby this law may be more effectively applied. It has seemed to me that if a solicitor had a more definite knowledge of the workings of the law he might solicit more intelligently, more energetically and more hopefully, and he would certainly obtain better results. And I can assert that it is a scientific fact that familiarity with a thing makes it seem useful, necessary and right, and this being true, a solicitor should feel encouraged to present himself, his business and his company to prospects, and if he does, he is as sure to obtain applications as my uncle's box-trap was to catch a rabbit if the unfortunate animal touched the trigger.

THE STATE'S TOLL ON LIFE INSURANCE.

When a man takes out a life insurance policy for the protection of his dependents, he practically taxes himself a fixed amount annually, in order that the State may not be called upon in the event of his death, prior to the self-supporting age of his family, to take care of his widow and orphans through its charitable institutions. Such an action, therefore, is a duty performed in consonance with the best ideals of citizenship, and should receive the highest consideration at the hands of the lawmaking bodies. Instead of such commendation we find the several States, almost without exception, levying an additional tax upon this self-imposed tax, so that the man who by his own voluntary act saves money for the State is taxed for the privilege. It has been hoped for years that those charged with the imposition of taxes would see the injustice of this particular form of revenue raising, especially as all of the weight of authority is against it, but each year adds to the burden.

In The Compendium of Official Life Insurance Reports for 1906, published by The Spectator Company, one of the exhibits shows for each company the amount paid by it last year in insurance taxes, licenses, fees and fines, separately from taxes paid on real estate and other investments. This is the first time such a separation has been made, and the total shows that the policyholders were mulcted during 1905 to the tune of nearly seven and three quarter millions of dollars, for no other reason than that they had been prudent enough to make a sure and safe provision for the future of their families or for their own old age. The exact amount levied was \$7,487,341, or about one and one-half per cent of the total premiums collected during the year. The dividends or overcharges returned to the policyholders in 1905 amounted in round numbers to \$36,000,000, so that the sum paid in taxes was more than one-seventh of the dividend payments. All the extravagant methods that have been uncovered in life insurance management have cost the policyholders much less than the toll annually demanded by the several States, and if the plea for the protection of the policyholder by giving him his insurance at as low a rate as possible is to possess any merit there is no better place to begin at than in the halls of the legislatures, where these illogical and unjust taxes originate.

Some of the heaviest taxpayers among the companies are enumerated herewith: New York Life, \$884,830; Prudential, \$794,510; Mutual of New York, \$779,189; Metropolitan, \$666,510; Northwestern Mutual, \$649,396; Mutual Benefit, \$435,938; Penn Mutual, \$390,507; Equitable of New York, \$382,319; Aetna Life, \$341,663; Connecticut Mutual, \$171,713; John Hancock, \$147,651; Union Central, \$129,407; Massachusetts Mutual, \$120,682; Provident Life and Trust, \$106,632; New England Mutual, \$104,416; Phoenix Mutual, \$91,382; State Mutual, Massachusetts, \$70,653; Travelers, \$68,480; Provident Savings, \$64,624; Fidelity Mutual, \$63,369, and Mutual Reserve, \$58,236.

Ghosts not otherwise engaged can make good use of their time (or eternity) in haunting the uninsured. It is impossible to understand the dullness of those who procrastinate.—"Life Insurance Sayings."

DIVIDING THE INSURANCE.

"While I am, of course, opposed to anything like policy-twisting, I certainly should not, if I could honestly avoid it, do anything very strenuous to divert business to a company other than my own," said a well-known life agent. "I should," he continued, "use my best endeavor to prevent a person from dividing his insurance, at the same time, of course, gently endeavoring to secure all of it for my own company. But I believe it would be my duty to advise any one to take all of his insurance in another company, rather than see him divide it, something of which I do not approve."

"Well," said his vis-a-vis, "peoples' ideas differ as to that. I think that if I were able to take out as much life insurance as I would like to take, that is, several policies ranging in amount from \$5000 upwards, I should select several of the best companies and divide it among them. I have a general objection against putting all my eggs in one basket."

"Yes, I know," replied the agent, "but dividing your insurance would add to the net cost."

"Take a case like this: William Simpkins contemplates taking a \$10,000 policy in a certain company. Bilkins, agent for another company, is a personal friend, a neighbor, or something. He learns of Simpkins' intentions."

"Of course, Bill," says Bilkins, "I would like to have the whole \$10,000. I didn't know you were in the market for insurance. Our company is as good as the best of them and as cheap as any of them. But if you think you can't give me all of it, divide up, give me one-half of it."

"So, to please his friend, Simpkins divides. Probably it is human to claim that one's company is as good as the best of them and as cheap as any of them, however inhuman the insured may regard it; but, after all, I suppose the principal thing is the ability and willingness of a company to pay its claims."

A PROMPT RESPONSE.

The late Judge Conaut of Greenfield, who for many years presided over the Probate Court of Franklin county, Mass., was a man of great dignity when on the bench, and at other times exceedingly fond of a good story or joke.

Henry Bartlett, a life insurance agent, almost as well known throughout the county as the judge, was a man of extraordinary height and girth, weighing about 300 pounds. He was noted for his good humor and ready wit.

One very hot day during the summer of 1888, Bartlett was toiling up the street in Greenfield, wiping the perspiration from his face.

Judge Conaut had just reached the street from his office, and, seeing him, said: "Well, Henry, you seem to be having a hard time."

"Yaas," was the brief response.

"Do you know, Henry, I was thinking as you came along that if 'all flesh is grass' you must be a load of hay."

"I think I must be from the way all the jackasses are nibbling at me," was the quick rejoinder.

A HEAVY REBATE.

The late R. P. Childs of Bennington, Vt., who was a well-known life insurance man in that State, proved that one of his best assets in business was his ready wit. On one occasion he wrote a policy on which the first premium figured \$50.01. The applicant came around to get his policy, and thought he would have a little fun with the agent.

Producing his check book, he said: "Well, Mr. Childs, I came over for that policy, and have written you a check for just \$50."

Mr. Childs appeared greatly surprised, and said with much feeling: "You can't have it at that figure. Good Lord, man, aren't you willing that the company should get something out of this transaction?"

Life is becoming more and more a burden for the rich man day by day. Owing to low-browed anarchists the rich man of to-day is a poorer life insurance risk than the poor man. It ought to be otherwise. Riches are supposed to bring the luxuries and comforts of life. Instead of this riches often invite premature explosions and cause the funerals of distinguished men.

CHOOSE YOUR WORDS.

"When I started out to sell life insurance," said a general agent, "it did not take me long to realize the importance of studying the very words I used and the necessity of never using a sentence which could, in any way, possibly offend either the intelligence or the sensibilities of the prospect."

"An entire talk should be carefully construed. A single unhappy word can spoil a sale. I have always tried to eliminate all evidences that characterize the bombastic salesman with loosely constructed talk. A large percentage of agents go on year after year without improving. I know, because I talk with many of them who blunderingly try to sell insurance in the crudest possible fashion, and wonder why they so often 'fall down' when they think they have as good as got the business."

AN AGENT SURPRISED.

For fear that the incident here related may be "taken with a grain of salt," it is labeled "a fact," for such it is, unless the agent lied, which is doubtful, as he is personally known to the writer and he has a reputation for veracity which has never been assailed.

This life agent was entering a large office building a few days ago, when he met a gentleman whom he had been soliciting for insurance, but who he was letting rest awhile before calling upon him again.

The gentleman bowed to the agent and said good morning.

"Good morning," replied the agent, "when are you going to take that \$50,000 policy?"

"Now," replied the man; "come with me into my office, and I'll give you an application."

The agent says that he felt a "gone,"—a sinking feeling, come over him, which might have been due to the rapid motion of the elevator; but he managed to rise to the occasion, being in the elevator.

THE LIFE INSURANCE AGENT.

Many men can easily recollect when a life insurance agent was regarded more or less in the light of an annoyance and a nuisance and was almost a byword, but that was a good many years since. Nowadays this business is carried on by some of the brightest and best educated business men in this country, and Yale College has a department for giving instruction therein, presided over by a young man whose home is in Westmoreland. The life insurance agent has come to be recognized as a benefactor. By his industrious perseverance he induces many a man to make proper provision for his family, who in all probability would have neglected it had it not been skillfully and persistently urged upon his attention. There is no need in these days to argue that life insurance is a good thing, and that every person ought to have a policy, large or small, as means permit, in some good company. It is at once a way of saving money and providing for the future. It is better for the community to have this business in the hands of bright, brainy men, who will not follow it unless they can get as good returns as in any other vocation requiring the same ability.—The Utica (N. Y.) Press.

"I CAN'T AFFORD TO INSURE."

You hear that often, don't you? Such a lame excuse by a man is positive proof that he cannot afford not to insure. Put this to him.

"If you can't spare one-fifteenth of your income for insurance investment and protection while you live, how can your family spare fifteen-fifteenths when you die?"

Here's another way to put it.

"If your employer necessarily had to reduce your salary fifteen per cent, couldn't you manage to live on the remaining eighty-five per cent?" Or put the question in this blunt, practical way.

"If death should claim you to-day, would your family and relatives suffer any pecuniary loss? Would they be as well provided for as you now provide for them?"

The decision about insuring your life rests on fact—not on prejudice.—The New York Life Bulletin.

"WAIT TILL I GET BACK."

Going on a summer vacation? If you postpone insuring to-day, our advice is—don't. The perils to health and life in summer are greater than at any other time. Exposure—over-exertion—accident—fever from impure water, contagion, etc., or a thousand things, are prevalent. You admit the possibility. Why procrastinate? Thousands of people in summer catch disease or develop some seemingly unknown hereditary condition which renders them uninsurable. Should you be one of these, you would learn too late how earnestly people can yearn for a thing they might have easily obtained a short time ago, but cannot now get.

Be wise. Be prudent. For the sake of your family don't delay insuring. It is economy for you to insure now whether you live or die. Investigate for ten minutes and prove to yourself these truths.—The New York Life Bulletin.

THE FUTURE OF FRATERALS.

The Wisconsin legislative investigation committee, when taking up the question of fraternal beneficiary insurance, were addressed at length by Insurance Commissioner Zeno M. Host of Wisconsin. He said among other things:

For a time I felt that the reforms needed must come from within these societies to which the experience of the past must point the way; but since I have had the opportunity to come in direct contact with the officers of a great many of the fraternal societies doing business in this State, I have learned that there exists among them a general feeling that it is impossible to bring about a better condition in these organizations without the aid of legislation, for all of these societies will not adopt adequate rates unless they are required to do so by statutory requirement.

Very few of the officers have the courage to place the rates of their societies upon an adequate basis when they must meet in competition other societies that remain on the death assessment or inadequate rate plan. * * *

The majority of the officers of these societies appreciate that without considering that as men grow older the death rate increases—that young men may die, old men must—and making provision for the increased number that must and do die, failure is as sure and certain as is the fact that no man, set of men or institution can for any length of time give something for nothing. Too, they know that there are just three ways in which safe and secure life insurance can be furnished, be it old line or fraternal insurance.

First—The premium to be paid from year to year for a fixed amount of insurance must be an increasing amount at all times to cover the full current or actual cost according to the attained age of the insured.

Second—The premium to be paid may be a fixed amount, as of age at entry, while from year to year, as the insured grows older, the amount of insurance is reduced, being graded at all times to the actual and mathematical purchasing power of the amount paid.

Third—The premium must be sufficient to enable the creation of a reserve fund sufficiently large on each policy to make up future deficiencies or to equalize the increasing hazard of increasing age. * * *

By no method can life insurance extending over a period of more than one year be written without the accumulation of a reserve, or a gradual increase in cost, and no system has yet been discovered or devised which will permit ignoring the laws of mortality and avoid failure and disaster.

The argument, "the reserve is in the pockets of our members," was not and never will be carried out by experience; if it really ever were there, the pockets must have been so deep as to place it wholly beyond the reach of the managements or receivers.

New members sufficient to keep the payments below the actual net cost, is an impossibility for any length of time, and just as soon as this increase in new blood fails to continue in an increasing ratio, the death rate and cost bound up.

It would have been much better had no special laws ever been adopted to regulate fraternal societies, for then recognition of mortality tables would have been enforced from the start. Fraternal societies cannot permanently live and ignore mortality tables, and the sooner they realize this fact the better it will be for all concerned. * * *

There are signs of awakening intelligence on the part of the officers of some of the fraternal societies, who have decided before it is too late to remodel their plans, place them upon a safe basis and furnish true indemnity to their members; but legislation is needed to effect this reform in societies, the officers and members of which, apparently for selfish purposes, refuse to readjust their rates on an adequate basis. * * *

Five facts of the greatest value to fraternal societies in the future have been demonstrated through their experience:

First—Rates must be calculated on mortality tables.

Second—Reserve provisions must be made to equalize the hazard of increasing age.

Third—Provisions must be made for an adequate regular increase in membership.

Fourth—Fraternal societies by their method of economy of management, can grant insurance at less cost than does the old line company.

Fifth—Fraternal insurance, properly conducted, more nearly covers all the needs of the people.

Too much stress cannot be laid upon the members of fraternal societies that payment of the premium, assessment or rate charged, constitutes but a part of the cost a member should give in return for the protection afforded; some service for the organization—the securing of new members—constitutes as much a part of the cost as does the premium. And while the theory of "new blood" can by no means take the place of recognition of mortality tables, it is nevertheless a fact that those societies which have received a large regular increase in new members have been able to keep down the current cost, and put off the day of judgment.

It seems necessary and important, therefore, that some provision be made to obtain an increase in membership. Just what such a provision should be is a difficult problem, but I have seen no better plan advanced than a requirement of imposing an annual fee upon each member of the society, in addition to the payment of the premium, with the proviso, that a member, who, during the preceding year, has proposed and had initiated an acceptable risk, shall receive a coupon which is to be received in payment of the annual fee. This it seems would be an effective remedy to bring home to each member his duty to the organization, and failing in performance, would give the organization a fund with which efforts to increase the membership can be made. * * *

We may as well face the problem of adequate rates fully and frankly at this time. If we are to furnish safe insurance, it behooves us, therefore, to throw around the gateway to our institutions all proper safeguards: Adequate rates, rigid medical selection, regular increase in membership, accountability, restriction of investments and explicit contracts.

The officers of nearly all of the fraternal societies transacting business

in Wisconsin so fully appreciate the fact that unless the membership pays adequate rates failure is inevitable, that they invite legislation covering this important factor; and if those present at this conference coincide with my views, possibly this meeting will lay the foundation for the absolute protection to the hundreds of thousands of members and beneficiaries which was contemplated to be the true and only purpose of life insurance. However, I desire to caution the committee that care must be exercised in drafting a bill to be enacted into law, as a large percentage of the members of fraternal societies are not educated to the absolute necessity of adequate rates, and a law re-rating the entire membership at one time would cause such confusion, annoyance and hardship that a great many of the members would lapse and the business suffer a revolution much to the detriment of the members and misery of the beneficiaries.

The following suggestions are offered eventually to meet the situation effectively and without the injection of tumult and woe:

First—Provide by law that from and after July 1, 1907, all fraternal beneficiary societies organized in this State and all such societies applying for admission shall collect from members minimum adequate rates as a prerequisite to obtaining a license to do business in this State.

Second—Provide that from and after January 1, 1908, all fraternal societies doing business in this State shall collect adequate minimum rates from all new members.

Third—Provide that the funds of members paying adequate rates be kept separate from the funds of members paying inadequate rates and permit the members in the inadequate class to transfer to the adequate class at attained age without medical examination.

Fourth—Provide for annual apportionment and accounting of surplus to members paying adequate rates, and when the surplus is sufficient to warrant it, relieve the members from paying an assessment.

Fifth—Provide that fraternal societies may issue the following contracts: yearly renewable or step rate, level premium, twenty payment life and yearly renewable term to age sixty-five when assessments cease and insurance is void. By permitting the issue of these four kinds of contracts, competition with the legal reserve or old line companies will be stimulated and a reduction in the cost of insurance in the latter companies will be the result.

I believe this is the best method by which fraternal societies can eventually be placed upon a permanent solvent basis.

I recommend that the adequate minimum table of rates for fraternal societies be based upon the American Experience Table of Mortality with interest at three and one-half or four per cent. These rates may seem too high, but when required in connection with the provision waiving an assessment whenever the accumulated surplus will warrant, members will be given their insurance at actual cost, and ultimately may only be called upon to pay ten or eleven assessments annually. * * *

THE TWISTER.

"When a twister atwisting, doth twist him a twist,

He three twists doth entwine.

But when one of the twists that he twisteth untwists,

The twist that untwisteth untwisteth the twist."

This old jingle represents a cunning man with the "twists" at his skillful command winding a rope, perhaps for somebody's neck, but if a single strand gives way, the rope is ruined and somebody's neck is saved.

The twister and his twist in life insurance are of the same sort. In life insurance the "twister" is an agent who tries to get a man to give up the policy he already has, and take one the agent has to sell. He stands in bad odor among honest life insurance men. He is working for a purpose—that is, his commission—at the loss to another man of his property, that is, his policy, for a policy is a piece of property.

Of course the twister gives his reasons: his company is better, the other company is "rotten;" his rate is lower; his dividends are larger; the net cost of his insurance smaller and he will show figures and comparisons to prove everything he says, but if the agent of the company whose policy is attacked were present (and the twister usually wishes he was) he could show some surprising reasons for these conditions, providing they really exist. He could show, for instance, that if a thing costs less, it is some way a different kind of thing.

It is a one-sided argument, for the prospect is usually unfamiliar with insurance matters and cannot see that anything is wrong with the argument, but there is something wrong, because the agent of any company on earth could take the prospect and show him that his company is the best and his dividends larger and make comparisons that would make the twister's argument look small and meagre.

"Twisting" is bad business. It is a mild form of robbery; it is a sort of financial hold-up. It takes the prospect at a disadvantage. It starts him in a bad way, which, if followed, at the advice of every twister that appears, finally leaves the policyholder where he started. The policyholder should hear what the twister has to say (if he has time to waste) and should then go to the representative of the company he is already insured with and hear what he has to say on the matters in question. Usually the policyholder will hear something to his advantage.

Beware of the twister and remember that he has his commission in sight rather than the welfare of the policyholder.

Therefore, when approached by an agent who seeks to induce you to drop your present policy and take one of his, keep these things in mind:

First—His interest, not yours, are uppermost in the twister's mind.

Second—His argument is interested and one-sided.

Third—It is a risky business to throw away one piece of property on the bare chance of getting another, at best only slightly better.

Fourth—It is, in the nature of the case, impossible to get full value for a lapsed policy.

Fifth—You lose the time your old policy has run, as well as the money you have paid for it.

Sixth—The twister is in bad repute among honest, well-informed men, both in the insurance business and out of it.—The Security Agent.

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, August 2, 1906.

THE MEANING OF OPPORTUNITY.

BY BRUCE WHITNEY.

Every man must contribute something to society; if he does not, he becomes either an outcast and finally a public charge, or a criminal.

His share of the world's work may be through physical exertion; through amusing the public; through literary effort or skill in the arts or sciences, but he must contribute something.

Possibly without fully realizing this absolute law, every man sooner or later take up some form of labor to which he applies himself according to his ability. If he has force of character he is likely to succeed; if not, he drifts along from one thing to another, occasionally succeeding through circumstances more favorable than he deserves; but more likely forming one of the great army of incompetents who feel the world owes them a living.

Take him by the hand and point to his fellow workers who are successful, and he shrugs his shoulders and calls it luck. Point out to him that the other man works, and works hard, and he will argue he does the same.

It is almost impossible to convince him he is the maker of his own destiny. Possibly he replies that he would be if he had the opportunity, but that his condition is one uninfluenced by his own efforts—that if it were a matter of hard work he would succeed.

Opportunity comes only to those who are prepared to embrace it; or, putting it more correctly, no unprepared person can seize an opportunity when it presents itself, and consequently imagines it never comes.

No great work ever matured of its own accord. It was first conceived by the mind of man, and then wrought out by man's hand. Through it all a master mind had to lead its progress.

I cannot conceive a greater opportunity than that which offers itself to the life insurance solicitor who seriously applies himself to his work. By this I do not mean the man who writes the large cases, but the man whose walk in life brings him in touch with the smaller cases. He is nearer humanity,—the humanity which knows what it means to lay aside a little from the already too small earnings,—and he is consequently in a much better position to approach the rank and file of the world's workers—those who have reason to appreciate the advantages of the protection of life insurance and who are only waiting to be taught its usefulness.

There are evangelists in life insurance as well as in religious work; those who speak so convincingly of the great benefits to the wife and family that their words carry conviction wherever they go. But before you can be convincing, before you can be successful, you must yourself be convinced and must believe in what you preach.

There have been agents representing life insurance companies, who were in the business simply and wholly for the commissions they earned. They were either indifferent to the principle involved or actually non-believers. These are the men who have dropped out of the business the past year.

Primarily every workingman is in business to earn money, but the successful ones are those who have studied their calling and know its merits. This being the case, no life insurance solicitor should fail in

his efforts, for the more he studies its practical side the more he is impressed with the wonderful results attained. That an investment of \$20 or \$30 will protect an estate for \$1000 is, in itself, enough to interest him; but when he comes to deliver to the wife of a man he has insured but a short time before a check which means the saving of the family, he is justified in being overcome with the solemnity of the occasion, and he imbibes an enthusiasm and belief in his business which makes him irresistible.

GETTING A REACTION.

BY A WESTERN AGENT.

William James, the head of that department of Harvard University which teaches the laws of the mind, once gave a series of practical talks to teachers on psychology. The talks were designed to explain the mental processes of both old and young and to enable the teachers to train their pupils more effectively. In one of the talks he illustrated the necessity of getting a reaction from the pupil before any proper steps can be taken for his education. Now, reaction is one of the words which appear at the head of this article, and as it is not only an uncommon word but was used by Mr. James in a scientific sense, I will attempt to give the reader some notion of its meaning before making any practical suggestions for bringing about the process.

The brain is the organ in a man's body which regulates and directs his most important activities. It has a large number of nerves which lead out to the surface of the body, and it is by means of reports which travel over these nerves that it gives any knowledge or experience of the outer world. Some of the nerves have special instruments attached to their outer ends for making particular kinds of reports, and these special instruments are known as the eyes, the ears, etc., but all nerves that lead into the brain and carry messages to it are composed of exactly the same material, and only a few of them have special outside attachments. Now, a man never engages in any kind of bodily activity without being first moved by something in the outer world. For example, let us suppose that a man is out hunting. He could not be indulging in this recreation if he was not stimulated by the memory of former successes. But upon the present occasion he is beating the bushes where he thinks that game may be and a flock of quail fly up. Instantly his eyes send a report of this fact over his optic nerves to his brain, and in a flash the brain sets some other nerves in motion, and the hunter discharges his gun at the quail. The firing of the gun would be termed a reaction. It is first caused by something on the outside. An object or a thing first acts on a man and causes him to act, and an action that is caused in this way is termed a reaction. Now, this partially scientific explanation which I have given may seem very wise and, perhaps, mysterious to the man that has never gone over it before, but in reality the matter is very simple. Because of the fact that a man never acts except from some influence or stimulant on the outside of him, whether it is some pleasing object that is immediately appealing to him, or whether it is some delightful memory of days long gone by, any ordinary act may be called a reaction. When I eat my lunch I react every mouthful. I have an appetite, I

see the food, and the messages which go constantly to my brain influence me to eat, but I am also acting as we commonly understand, and the only difference between the two words is that the scientific term, reaction, to the bookish man carries with it a more special and scientific notion of the process. If the reader will bear in mind that every time he acts, every time he does something, he also reacts, he will have no difficulty in understanding the following quotation from one of Mr. James' talks.

"You may take a child to the school room, but you cannot make him learn except by soliciting him in the first instance by something which naturally makes him react. He must take the first step himself. He must do something before you can get your purchase on him. That something may be something good or something bad. A bad reaction is better than no reaction at all; for, if bad, you can couple it with consequences which awake him to its badness. But imagine a child so lifeless as to react in no way to the teacher's first appeals, and how can you possibly take the first step in his education?"

While the above quotation refers more especially to the necessity of getting a reaction from a pupil, it really states in a few words a universal necessity. We must always have reaction before we can get hold of the minds of others. If we wish a man to do a particular thing we must first get him to do something, no matter what it is, in order to get a purchase on him. The animal trainer who is trying to teach a dog a trick often gives him a lump of sugar or some dainty morsel before he can get a start with him. The dog eats, he reacts, shows that he can understand and respond to something, and by thus revealing a glimpse of himself and his character he gives the trainer a clue upon which to base his method.

A specialty salesman one day stepped into my office and exhibited a map of the United States, which pleased me instantly. I rose from my seat, examined the map more closely, and by words and gestures indicated my admiration. The salesman had gotten a reaction from me. I had revealed what was within me. He took advantage of what he had gained to point out other admirable features of the map, and so secured other reactions from me. In a few moments he perceived that I was sufficiently interested in the map to buy it, and he announced the price and delivered the goods.

It is a well-known fact to the experienced solicitor that the man who has had practice in resisting salesmen will suppress his reactions. He will close his lips and remain as dumb as an oyster when he is asked to buy something, or else he will open his mail or read the paper. This kind of a prospect usually receives the name of the "chilly proposition," "the iceberg," or the "marble pile," from the disgusted life insurance agent. Another kind of prospect who finds it impossible to suppress his reactions resorts to subterfuges in order to destroy their meaning. Finding that he cannot resist an argument, and that he is thus laying himself open to defeat, he will make extraordinary statements and hedge them round with mystery. I had a friend who for a number of years took extra pains to make me believe that he would some day insure his life. Occasionally I grew tired of his procrastination and proceeded to expose the weakness of his position. He could not resist replying to my assertions, and when he found himself in deep water he always took refuge by informing me that there were some special and peculiar reasons why it was really an advantage for him to do without life insurance at that time. When I asked him to give the reasons he escaped with the plea that loyalty to others forbade him to reveal them. That one reaction I could never obtain from him, as it would have left him virtually defenseless. It is not to the point, but to gratify an almost universal love of a completed story, I will inform the reader that I ultimately insured my friend in spite of his special reasons, and about the only thing that made him delay so long was his natural closeness.

As I have taken so much trouble to show what reactions are and the importance of securing them, I feel obligated to give the solicitor some information as to the best method of obtaining them. I wish to say first, what I have occasionally said before, that I make no pretensions of writing these articles for the great personal writers of life insurance. The solicitor who can report half a million in new business every year needs no instruction from me. If he ever reads anything from my pen and finds his own experiences faithfully described, I am well pleased, but I am not a Napoleon in the art of securing applica-

tions, and I address myself to the average member of the fraternity, who, as I once did, may feel in need of practical suggestions and knowledge of human nature.

I am fully persuaded that the time has come in the history of life insurance when the average solicitor can afford to moderate his aggressiveness. By this I do not mean that he should study his own company less, see any fewer prospects, or work less hours, but simply that he be less obviously bent upon obtaining an application. A little more self-restraint, a little less eagerness in the interview will be much more conducive to the obtaining of reactions. If I talk 15 or 20 minutes with a man and deliver a few facts about life insurance in a rambling and incoherent manner, it is generally absurd for me to ask him if he would not like to take a policy. Solicitors, as a class, are feared and shunned. If such an expression is permissible, they are regarded in the abstract as unmitigated bores. Why? Simply because a large number of men who have no real tact for salesmanship constantly annoy the public by trying to force it to buy before it is interested. That is why men turn into "marble piles." That is why they suppress their reactions. The solicitor who tears my patience "to tatters, to very rags," is the one who tries to compel me to buy when I am interested in neither him nor his goods. He is the same one that the public avoids. If the solicitor will earnestly, painstakingly and repeatedly show his goods, bearing in mind that three or four interviews at wide intervals are often better than that number at short intervals, he will have much less difficulty in obtaining reactions.

Finally, the solicitor must reach the point where he has no fear of a prospect, and where he feels almost perfectly at ease, or he will not have full command of his faculties, and so will be unable to secure reactions. I will first give a trivial illustration and then one that will be directly to the point. The other day I made a brief call at the home of a lady friend, and while there I saw something that I took a fancy to. I asked my friend for it, but she refused. I insisted, but she still refused, and we debated about it to some length. Finally, I put it in my pocket and walked off. Now, I was perfectly at ease and knew exactly what I was doing. I had devoted considerable of my time to this lady's interests, and I knew that I could safely appropriate the trifle which I coveted, but would it be possible for me to do such a bold thing with a prospect who was almost a stranger? No; for the reason that I would not have the intimate knowledge, the courage and the clear-headedness that would make such tactics possible.

The general agent with whom I am associated once undertook to insure a very peculiar looking merchant in a small town. I was with him at the different interviews for the purpose of seeing how he did it. On nearly every day for about a week the general agent called at the merchant's store and settled down for a siege. He would show a statement or read a document, but the merchant would pay almost no attention to him, and seemed to me on the point of falling asleep. But the general agent was neither impatient nor discouraged. He sat there on a drygoods box, and at intervals he would say, "The Dash Company invests its assets only in first mortgages on real estate," or the "Dash Company has more money loaned in this State than any other company," or make some other equally brilliant and interesting remark. This programme was repeated at each interview, and I could discern no signs of growing interest in the prospect, and I never did, but at the end of about six days the general agent wrote a \$10,000 application. The point which the general agent's experience illustrates is this: If he had been afraid, or ill at ease, if there had been anything in the merchant which awed him, he could never have set about his siege with such cool impudence and self-possession. And if he had not been in a perfectly serene state of mind he would not have had control of his faculties, and so could not have obtained reactions from the merchant.

If the solicitor is afraid, and more or less awed by a prospect, he had better postpone the critical part of his work until he can get acquainted with the prospect, and so learn his limitations. He will never have the best use of his mind, never be in the best condition to obtain reactions so long as he is ill at ease, and while he may always be somewhat nervous and embarrassed at first interviews, he must learn to be unafraid of men, learn to feel superior to them, or he will never obtain the best reactions. The best way to feel superior to men is to get to know them without permitting them to know too much of one's self.

HIS HARDEST DAY'S WORK.

"What is the hardest day's work I ever did?" asked a life agent, "sawing wood. It was some years ago——"

"No," said his questioner, "I mean as a solicitor of life insurance."

"Oh," mused the agent, who holds a superior position in a general agency. "Well, now let me see. I think the hardest day I ever had in all my life insurance career was about three years ago, just before I got my present position."

"You see some of the officials from the home office were coming, and there was to be a readjustment of things in our office. I saw my opportunity, but I also saw that my future would depend a good deal on the showing I made at the grand stock-taking."

"It was to be a case where the business getter would get the plum, and the bigger the business the bigger would be the plum which would fall to him."

"I knew that I had a good record in the office, but I had a good deal of business coming, business that I considered just as good as mine, but which I had not taken the trouble, or had not thought best, for one reason or another, to close up. It was, very largely, additional insurance which my own customers were going to take, sooner or later."

"Now, I saw that it was for my interest to get in every dollar of business I possibly could, and get it quick—for the home office inspection was only a few days off."

"I started out and called upon all my best customers—those with whom I was best acquainted, and with whom I felt particularly friendly, and told them the story—what was up to me. I labored with them to get them to take the long-contemplated additional insurance then and there. I scarcely took time to eat. I felt a good deal as though I was soliciting for charity, and that the object of charity was myself."

"However, many of my friends were good to me, and I got in a good deal of business—enough to prove that I was a business getter; and I think it had its effect to my advantage. But that was the hardest day's work I ever did, except, as I started to tell you, sawing wood."

COMPENDIUM OF OFFICIAL LIFE INSURANCE REPORTS

During the ten years ending with 1905 the number of legal reserve life insurance companies organized under the laws of the United States was exactly doubled, there being 112 companies in existence on January 1 last, as against fifty-six ten years previous. During the year 1905 twenty-one companies entered the field, while but two insignificant concerns withdrew, so that the net gain for the year was nineteen. In the first six months of the present year twenty-two additional organizations have been formed and received legal authority to operate, while only one has withdrawn, so that the present list of licensed companies numbers 133, exclusive of one European and four Canadian companies. These 133 companies are incorporated under the laws of thirty-nine States and Territories, and inasmuch as all of them do not operate in any one State the complete reports as to their standing are scattered through more than twenty-five official State reports.

The extreme competition that has necessarily been engendered by the appearance of this large number of new companies in the past decade, makes it necessary that every agent should be in possession of some unbiased document giving the latest official standing of all the companies now putting forth their bids for public patronage. Such a document is found in The Compendium of Official Life Insurance Reports, the 1906 edition of which has just been issued by The Spectator Company, 135 William street, New York. This publication presents a thorough analysis of the statements of the 117 companies which made reports to the various Insurance Departments for the year 1905. All the figures entering into the voluminous annual reports of this large number of companies are carefully compiled and arranged in order of magnitude in a series of fifty-nine exhibits, while in a number of the tables percentages are given and the rank of the companies also determined by them. The busy agent will find this work of incalculable value as a time saver, as it gives him within one set of covers information which otherwise he would have to dig out of many official reports, and at the same time it presents the data in convenient form for instant comparison, either with any other company or with the preceding year.

The Compendium of Official Life Insurance Reports makes a book

of 144 pages, is handsomely printed from new and clear type, is bound in flexible leather and sells at \$2 per copy. All orders addressed to The Spectator Company, 135 William street, New York, will be promptly filled, and no agent can afford to be without a copy of this truly invaluable statistical publication.

The tabulation presented herewith is taken from this work, and shows the total transactions of the ninety-eight ordinary and fourteen industrial companies of the United States which made reports for the year 1905.

**AGGREGATES OF THE FINANCIAL STANDING AND BUSINESS FOR
1905 OF THE ORDINARY AND INDUSTRIAL COMPANIES OF
THE UNITED STATES.**

	Ordinary Companies.	Industrial Companies.
Number of companies.....	98	14
Capital stock.....	\$13,648,875	\$4,865,000
INCOME.		
New premiums.....	65,250,730	20,562,710
Renewal premiums <i>a</i>	322,773,099	99,093,221
Received for annuities.....	8,091,884	225,191
Total premium income.....	396,115,713	119,881,122
Dividends, interest, etc. <i>a</i>	92,134,091	9,966,215
Received for rents.....	8,879,193	1,901,741
All other receipts.....	11,960,089	1,220,366
Total interest and other income.....	112,973,373	13,088,322
Total income.....	509,089,086	132,969,444
EXPENDITURES.		
Paid for death losses.....	117,312,138	32,398,936
Paid for matured endowments.....	27,696,353	309,938
Annuities paid.....	6,454,510	293,216
Paid for surrendered, lapsed and purchased policies.....	41,406,692	2,953,700
Dividends to policyholders.....	33,004,344	3,139,056
Total payments to policyholders.....	225,874,037	39,094,846
Dividends to stockholders.....	581,125	373,072
Commissions, salaries and traveling expenses of agents.....	60,204,810	31,377,303
Medical fees, salaries and other charges of employees.....	14,537,254	6,367,329
All other expenses <i>a</i>	26,280,413	7,160,500
Total expenses of management.....	101,603,602	45,278,204
Total expenditures.....	327,477,639	84,373,050
Excess of income over expenditures.....	181,611,447	48,596,394
ASSETS.		
Real estate owned.....	137,198,498	33,418,101
Bond and mortgage loans.....	651,119,745	72,387,473
Bonds owned.....	1,073,321,647	139,315,350
Stocks owned.....	156,629,985	16,112,150
Collateral loans.....	37,268,010	9,052,359
Premium notes and loans.....	216,893,294	8,674,855
Cash in office and banks.....	63,870,571	13,182,906
Net deferred and unpaid premiums.....	40,179,985	7,919,147
All other assets <i>a</i>	26,843,648	2,799,143
Total admitted assets.....	2,403,325,383	302,861,484
Items not admitted.....	30,826,211	2,661,959
LIABILITIES.		
Reserve.....	2,037,310,297	257,979,521
Losses and claims not paid.....	13,799,252	921,176
Claims resisted.....	858,214	108,948
Dividends unpaid.....	5,850,221	422,327
All other liabilities <i>a</i>	49,804,208	5,518,856
Total liabilities.....	2,107,622,192	264,950,828
Surplus to policyholders.....	295,703,191	37,910,656
POLICY ACCOUNT.		
New business written.....	{ Policies Amount	{ Policies Amount
New business not taken.....	1,135,042	4,497,032
New business actually paid for.....	1,913,628,636	660,861,169
Whole life policies in force.....	187,881,430	.....
Endowment policies in force.....	1,725,747,206	.....
All other policies in force <i>a</i>	7,225,405,348	.....
	2,902,683,820	.....
	926,142,453	.....
Total insurance in force.....	{ Policies Amount	{ Policies Amount
Total assets (including non-admitted items).....	5,621,480	16,872,583
Total surplus (including non-admitted items).....	11,054,231,621	2,309,754,235
	2,434,151,594	305,523,443
	326,529,402	40,572,615

a Where the various items of a few companies' statements have not been classified, the total amounts have been included in these aggregates. *b* Not including ordinary business transacted by industrial companies.

A VALUED POSSESSION.

"I take every pains," said a well-known solicitor, "to instruct my clients so that they shall know all about and thoroughly understand 'dividends,' 'surpluses,' etc.; and I try to have them thoroughly understand the policy. I try to have them regard life insurance as an investment, rather than an obligation which they must keep. This, I think, tends to decrease the liability of lapses, because it makes the holder of a policy look upon it as a valued possession, rather than something which he must keep up at the expense of self-denial."

A RECORD BOOK FOR LIFE POLICYHOLDERS.

As a reminder of the agent, no more suitable souvenir can be given a policyholder than a record book showing details of life insurance policies carried. It is for the insured's own keeping and reference, and shows, at a glance, what the policy is earning, how much in dividends or surplus has been paid, all about each policy, its standing, present and future value, etc. Such a carefully-kept record would prove very valuable in case of death, and it appeals to every man who is methodical in his business.

Such a work is "The Record of Life Insurance Policies," published by The Spectator Company, 135 William street, New York. Price, 25 cents per copy, twelve copies \$1.00, 100 copies \$12.00.

FROM THE AGENT'S STANDPOINT.

[TO THE EDITOR OF THE SPECTATOR.]

I have just read your editorial on the late laws passed by the New York Legislature as recommended by the Armstrong committee and admire the stand you take in criticising their hasty action in passing laws that will very soon be proven detrimental to the best interests of policyholders. I think most people who are posted on insurance matters feel as you do, but few of them have the nerve to say so, simply because there were evils that needed to be corrected and the press was clamoring for quick action. Unless certain clauses of this law are repealed, I very much fear the remedies will prove much more expensive to policyholders than the evils that existed.

I think every man will admit that it is absolutely necessary to get new business to make good returns to policyholders at maturity of their contracts, and I cannot possibly figure out how it is possible to get business under the compensation as outlined under the new Armstrong law.

For instance, the managers contracts are as follows:

FIRST YEAR'S COMMISSION.

	Per Cent
Ordinary life	50
Twenty-payment life	45
Fifteen-payment life	40
Ten-payment life	35
Twenty-year endowment	30
Fifteen-year endowment	25
Ten-year endowment	20

Term and other forms of policies, commissions to be determined by the actuaries.

Renewal commissions $7\frac{1}{2}$ per cent, graded according to statute, payable for nine years, based upon two years' service. For less than two years, five renewals of 5 per cent.

The company to pay all office expenses except stamps for circular letters on personal correspondence.

The maximum sub-agents commission under the new contract will be 10 per cent less than the managers on life and limited pay, and 5 per cent less on endowments, with a renewal commission for nine years of 5 per cent. This will leave the manager nine renewals of $2\frac{1}{2}$ per cent. Now suppose an agency pays for one million business with premiums averaging \$30, which will be about right in future as most of the business will be written on ordinary life. Total premiums, \$30,000; average margin 8 per cent on a total margin of \$2400 to manager first year. Out of this he must pay his traveling expenses organizing a comparatively new agency which will be \$1500. Losses on agents \$750; postage, telegrams and telephone \$250. This is the rosy picture for the manager the first year. Now, for the field man. I have about fifty agents; out of this number only three pay for as much as \$100,000 per year, but we will take that amount as a basis. Premiums on \$100,000 business, \$3000; average commission 35 per cent; total gross commission, \$1050. Out of this he must pay his railroad fare, buggy hire, hotel bills, etc., which, at the least, will amount to \$750; this leaves \$300. Out of this, he must stand discount on notes, medical fees on not taken out policies, and term rate in some cases which will consume the balance. Now I would ask how an agent can live under this contract until he can build up a renewal interest?

I trust you will pardon this long letter, but I feel a statement of facts to an Insurance journal which wields as much influence as yours may help you see the situation as it is, and cause you to continue to advocate a repeal of the unjust law which strikes only at the poor fellow who has never earned but a bare living in the field instead of those who could afford a reduction.

REMARK.

Putting off insurance is like waiting for a rising river to run by. The longer you wait, the smaller becomes the opportunity to cross.—"Life Insurance Sayings."

COMMISSIONER FOLK ON DEFERRED DIVIDENDS.

In the annual report of the Insurance Commissioner of Tennessee for the year 1905 the following appears regarding deferred dividends and standard forms of life policies:

The most important reform to be accomplished, in my judgment, is that with respect to what is known as the deferred dividend plan. This plan consists in deferring the payment of all dividends to the end of a period named, and in the forfeiture of all accumulated surplus in case the policy is terminated before the end of the said period. I believe this system is unsound in practice and unjust in its operation. This deferred dividend system results in the placing in the hands of the management of those companies which practice it, accumulations of money in addition to the legal reserves for which the management is not to render an account for a long period of years, offering temptation to extravagance and the diversion of funds to unlawful purposes, which temptation, in all cases, has not been resisted. It also results in injustice to the holders of such contracts who lapse or die before the attainment of the end of the deferred dividend period by the forfeiture for the benefit of others in their class of their interests or equities in the surplus. A lapsing policyholder, of course, receives some benefit on account of the reserve to the credit of his policy, but the dividend accrued on his policy is also rightly his, as much so as his interest in the reserve. It is the result of the accumulation from his own money or from premium payments in excess of the cost of his insurance, and I do not believe that any contract which takes away from a man that which is justly his is sound in public policy. I recognize that the contracts now in force cannot be abrogated by legislation, but legislation can require each company employing the deferred dividend system to render to each policyholder an annual accounting hereafter as to his share in the surplus earnings of the company for the previous year and to constitute the funds so reported as a liability against the company to the same extent as the reserve is now a liability. These funds would, therefore, not be subject to encroachment by any company's management. A policyholder, by preserving the annual statements, can know at all times the amount of his share in the surplus.

I believe that the future issuance of deferred dividend contracts should be prohibited by law. When this is done the policyholder, having a participating contract, will receive at the end of each year his share in the apportioned surplus earnings of the company. This is what is now known as the annual dividend system. It is my opinion that the enactment of legislation along this line will go further towards placing the insurance system upon a sound and proper basis than any other remedial legislation.

I believe standard forms of insurance contracts should be prescribed and required by law, so that contracts in all companies will be identical on material points for the same character of insurance. Comparisons of benefits could then be intelligently made, and any undue extravagance on the part of the management would be reflected in a decrease in benefits to policyholders, and competition as to economy of management would be the inevitable result.

ANNUAL DISTRIBUTIONS OF SURPLUS.

The annual report of the Insurance Commissioner of Maryland for the year 1905 contains a report by Actuary Clayton C. Hall dealing with life insurance conditions in general, with more particular reference to the developments and legislation in New York. Mr. Hall does not agree with the principle of compulsory annual distribution of surplus, and on this point says:

In one respect I would respectfully suggest that in the legislation in New York and in that proposed before the Congress, namely, the provision requiring an annual distribution of surplus by life insurance companies, is injudicious. The business of life insurance is made possible by the prevalence of a certain regularity in the occurrence of deaths, or the rate of mortality. But this average death rate does not assert itself with precision annually, any more than does the downfall of rain, the range of temperature, or the yield of crops. In order to ascertain the average a longer period than one year is required. In England a period of five years for the ascertainment and apportionment of surplus was adopted nearly a century and a half ago and has been followed ever since with satisfactory results. In my judgment the legislation in Maryland enacted at the session of the legislature just ended, which provides for an accounting and apportionment of surplus at least once in every five years is thoroughly sound, and far wiser than a requirement for annual distribution of surplus. It leaves companies, which elect to do so, free to make distributions more frequently, but imposes no unreasonable burden upon a business in which fluctuations, favorable and unfavorable, are inevitable.

A little more than forty years ago some of the larger companies, mistaking the financial conditions which arose from the Civil War to be permanent in their character, adopted the plan of annual dividends. When the error was discovered, instead of frankly acknowledging that annual distribution of surplus was not appropriate to the business, and could not be maintained with any degree of regularity, recourse was had to the plan of deferred dividends as a means of concealing the fact. Therefore, many of the evils which it is now sought to correct, are probably attributable to the injudicious attempt to make annual distribution of surplus. This was primarily prompted by rivalry for business and a misapprehension of conditions. If a regular annual distribution of surplus from and after the first year of insurance were certainly possible, it would only prove that the premiums charged are unnecessarily high; and this, the most careful students of life insurance and of finance do not believe to be the fact.

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, August 16, 1906.

ON THE ORGANIZATION OF NEW COMPANIES.

BY A WESTERN AGENT.

About a year ago I was chatting with a friend one day when a man, who shall be known as Jones, came in and rented an old-fashioned cottage and agreed to pay \$16 a month for it. He admitted at the time that the house did not appeal much to his taste, but said that he took it because he could get it cheap. The other day while I was poring over my desk in an effort to grind out something for the benefit of insurance solicitors, Jones came in and began to urge my office partner to take out a policy in a company that he represented. I did not recognize him at the time and gave but little attention to the conversation. Presently, however, he grew so loud in his talking that I could make no headway with my work and so I gave up the attempt and listened. To my surprise, Jones then turned to me, reminded me that he had met me before and mentioned the house-renting episode. I had not the slightest acquaintance with him, as I viewed it, but he proceeded to tell me his troubles as freely and confidentially as if he had known me for years. He was bitter in his complaints against my friend, the agent, who had rented him the house. He said that the agent had recently ordered a bath and city water for his house without giving him a word of notice, and he recited a long catalogue of nuisances which he had been compelled to endure while the remodeling was going on. He had not a good word for the rental agent, who apparently had been trying to add to his convenience. As the rental agent is a very good friend of mine I felt it necessary to say something in defense of him, and the discussion lengthened until it was out of all proportion to the importance of the subject. To make a long story short, it developed that Jones was annoyed because he would probably have to pay twelve or fifteen dollars more rent each year. He admitted frankly in the end that he liked modern conveniences as well as anyone, but could not afford to pay for them and knew that he could not when he rented an old-fashioned cottage.

In some parts of our country the possibilities for good and evil in the life insurance business are very great, and I have narrated the Jones story in considerable detail, because it illustrates to me the possibilities of evil. This man Jones, as nearly as I can judge, is in the forties. I should say that he is fully forty-five. He claims to have practiced medicine at least twenty years, but admits having dabbled in all kinds of side enterprises. He cannot have been a business success or he would not have abandoned a profession which had cost him twenty years of time and considerable money, and he certainly cannot have accumulated anything or he would not be living in an old-fashioned cottage because it is cheap. From his own statements I should conclude that he has succeeded in obtaining what we call a living, but that is the extent of his success. Notwithstanding, he is the vice-president of a life insurance company which was organized about six months ago. This man who has failed at everything and succeeded at nothing, who probably would find it extremely difficult to raise \$50 on short notice, is to have a voice in an enterprise requiring the highest kind of business ability. A man who groans under the burden of \$16 a month house rent, organizes a life insurance company and solicits both the wise and the foolish to trust him with

their money. And in my State, and I suppose in many other States, the law throws no obstacles in the way of his experiment. If he can obtain 250 applications (bona fide?) and scrape up a few thousand in good (?) securities he can launch his enterprise.

I suppose that under the very loosest laws it is not quite so easy to organize a life insurance company as it looks, and the man who can patiently go through with what is little more than red tape, may be considered as having some elements of strength, but it does seem to one who is not over-balanced with optimism that schemes for managing other people's money are altogether too easily floated. Suppose that the Insurance Department does require \$25,000 in cash or its equivalent (?) before it will authorize a company to write business. It is not necessarily difficult to raise this sum and especially not the equivalent. I doubt if there is one man in tens of thousands who really understands the principles on which life insurance is based. The average man learns of the twelve or thirteen hundred millions of assets of the three leading New York companies and he thinks what fabulous profits there must be in life insurance. What an amazing business it is. He forgets all about liabilities and reserve funds. He does not consider that millions of assets probably mean billions of insurance in force, and he is easily persuaded that an insurance company is the greatest bonanza of all times. With this wild notion of profits and possibilities in his head the average man will readily part with his \$500 or \$1000, and it only requires twenty-five or fifty of such dreamers to raise \$25,000 or its equivalent (?). Then with a broken-down doctor or bankrupt politician at its head, and with a supply of patent, self-supporting policies, it is easy enough to fool a large part of the people for a large part of the time. As the preacher used to say when he was running short of homiletic material, "My brethren, these things ought not so to be." Well, if they ought not to be, and they are, what should be in their place? I regret to say that I cannot undertake to answer this question in full. I am not an actuarial or business genius, and I have no ready-made plan for remodeling the insurance business from top to bottom. But some reforms are possible and insurance solicitors everywhere should work for them.

Any insurance company, new or old, should have behind it business ability that cannot be questioned, and conditions that tend to reduce temptations to the minimum. I do not criticise Vice-President Jones, who is described in the introduction of this article, because he is poor and can hardly pay house rent. A man may be honest and be poor. He may have business ability and be poor for a time, but no man can have business ability and be poor all his life. Jones' poverty after twenty-five years of effort simply means that he has no ability, and therefore he has no right to mismanage other men's money. Furthermore, Jones is open to a maximum of temptation. We may infer that he is in debt and hampered for small sums of money. He is almost feverishly anxious to get his company launched, and I doubt if he could escape even reckless rebating. I may be doing him an injustice, but I have seen him trade for a pile of almost unsalable junk and I draw my inferences accordingly. Is a man with so many weaknesses fitted to be the custodian of trust funds?

While I have not gone far into actuarial science, I think I may venture to affirm that it does not require a very large sum to launch a new life insurance company. With 500 genuine policyholders, three or four honest and able men might start a company with practically no capital. But if these men are worth some thousands or tens of thousands of dollars it is indisputable evidence that they have business ability. When I say business ability, I mean business integrity also, and business ability with all that it implies should be the first requirement in the officers of a life insurance company.

In general, I should not be willing to impose restrictions that would hamper individual energy and ambition. I am willing to give every man an opportunity to rise, but I am absolutely opposed to licensing bankrupts and failures to experiment with trust funds. The man who has always failed in his own business might make an ideal manager for others, but I prefer to admit this as a possibility rather than to accept it as a fact.

I have a friend who has organized a life insurance company within the last two years. I know that he has been a successful man, because I took pains to ascertain that fact before I cultivated his friendship. As a business principle I do not encourage close relations with failures. My friend has been able to report from three to five hundred thousand a year as a life insurance solicitor, and before he organized his own company he could have secured a position with almost any good company in the United States. When he launched his new enterprise he selected successful business men, men who have capital and a reputation for honesty and integrity, as his officers. When he began to solicit applications he offered policies that must be paid for, and not patent self-supporting contracts for making everybody rich. I will not say anything more about my friend and his company as I am not trying to get any free advertising for anyone, but when men of this character organize a company and conduct it on such principles, no competitor will complain. A company with honest and able men behind it will do the country a service, but failures, bankrupts and incompetents of every kind should be prohibited from handling trust funds. The State might more carefully safeguard the rights of the public by making it difficult for any but competent men to organize life insurance companies.

BUSINESS AND THE CHURCH.

The writer propounded this query to an experienced life agent, a few days ago:

"Should a life insurance solicitor utilize his church and social acquaintance and connections as an assistance in getting business?"

The agent reflected a minute, and then said: "So far as your question refers to the church, I will first say, that the spontaneous impulse of perhaps three-quarters, perhaps more, of the people to whom you would ask the question, would be to say 'no,' most emphatically. 'Oh, no; indeed no! Don't mix business with religion. It is too mercenary.'"

"As a general proposition," said the agent, "I feel the same way; but I am inclined to take a middle ground."

"Personal acquaintance is a life agent's capital, regardless of how, in what way, acquaintances are acquired. The grocer and the hardware man do not hesitate to sell goods to their fellow church members. Church is church and business is business. I see no reason, therefore, why I should let business go to some other agent and some other company, simply because I happen to attend the same church and move in the same social circles with people who want, need and are ready to take, when the matter is presented to them, life insurance. Indeed, I am inclined to regard the placing of life insurance as one of the good works in which one may engage in the world. How better can I serve humanity than by enabling men to make provision for their families, to guard them against want when they are deprived of their natural protector?"

"To be sure, it redounds to my own benefit, financially, but the clergyman and the missionary work for pay, and they could not devote their lives to religious work if they were not properly compensated."

"The work-a-day world and religious life are, of necessity, closely allied and intertwined. Every man must have a certain standing in

the community, and if that standing is such as to carry with it the confidence of the community, I see no reason why a life insurance agent should not make the most of it, in an honest, upright manner.

"If my fellow citizens patronize me because they happen to be identified with the same church denomination as myself, I look upon it as perfectly right, and I think it is right that I should utilize my church acquaintance in doing a straight, legitimate business, and, especially, a semi-philanthropic business."

THE INSURED ALIVE—THE UNINSURED DEAD.

In a certain little New England town there were two men of the same name—X. Y. Z. One of them carried life insurance, and of course he was the only one known to the insurance company. The one who did not carry insurance died a few months ago. About the same time the company sent to the surviving X. Y. Z. a notice for his annual premium, which was delivered to the family of the man bearing the same name, who had died. So X. Y. Z., Jr., who was executor of the estate, received the notice with great joy, for he did not know that his father was insured. So he promptly notified the office of his father's death.

Blanks were forwarded from the company's office for proofs of death in the usual way. But when the executor received the letter written to the widow of X. Y. Z. he found, of course, that he was unable to produce the policy. It was not to be found among his late father's papers. He therefore divined that there was some mistake and took the letter to the living X. Y. Z.

Of course the matter was at once made clear, and the living X. Y. Z. wrote to the company assuring them that he was alive, and remitted the annual premium.

It was a curious, but not-to-be-wondered-at mistake, which must have impressed the living X. Y. Z. with the value of his policy.

FIRST SUPPLEMENT TO THE HANDY GUIDE FOR 1906

The first supplement to the 1906 edition of The Handy Guide to Premium Rates, Applications and Policies has been issued by The Spectator Company. This supplement contains the new five-year convertible term policy of the Mutual Benefit Life with the rates thereon; the premiums, surrender values and policies of the Philadelphia Life; new rates and policy of the Security Life and Annuity Company of Chicago, and a copy of the standard form of life insurance policy prescribed by the New York law. Purchasers of The Handy Guide will need this supplement in order to have the data brought up to date, and it will be sent on receipt of price, 25 cents per copy. By remitting 75 cents this supplement will be sent at once, and the second and third supplements as issued. The price of each supplement to non-subscribers is 50 cents per copy. Address all orders to The Spectator Company, 135 William street, New York.

THE CASH VALUE OF A MAN.

The immigration commissioner of a Western railroad recently applied to an Eastern traffic manager for special "home-seekers' excursion" rates to enable farmers to go out and look at his Western lands.

"I won't help you a cent's worth," said the Easterner, emphatically. "Every farmer you take off our lines makes a dead loss to us of at least a thousand dollars a year."

This is of interest as illustrating the fact, that every man is a commercial commodity and has a value to his fellows that can be estimated in dollars and cents.

But how much greater, and how much more serious a loss is every man to his family if he is taken from them, leaving them dependents, without his support, his ability to produce; and the loss to his dependents is exactly in proportion to his ability to produce and the degree of luxury in which he has maintained his family. He is more than a commercial item to them.

Fortunately the many forms of contracts offered by life insurance companies enable every man to insure his full productive capacity and secure to his family, after he is gone, very nearly, if not quite, the protection he would afford them while living.

TWO DECADES OF LIFE INSURANCE.

The public appreciation of the benefits of life insurance and the energy with which the companies have pushed the extension of their business is strikingly manifested in a comparison of the aggregate figures of all United States life insurance companies at the beginning and close of the decade ending with 1905. During those ten years every important item entering into the annual statements was more than doubled, although the figures at the close of 1895 were in themselves enormous. Business magnitude, financial strength and benefits to policyholders kept equal pace, and while the figures for 1905 indicate a slight check in the forward movement a careful analysis shows that but comparatively few companies were affected, the great bulk of the organizations showing a further improvement. The sums annually disbursed by life insurance companies under their policy con-

tracts have reached tremendous figures, and when the figures for a decade are considered the value of the system as an economic force in the life of the nation is readily apparent. Consider the tremendous amount of good accomplished in the past ten years by the distribution in all sections of the country, and, indeed, in all parts of the world, of the magnificent sum of \$1,881,242,821 to policyholders and their beneficiaries, over one billion dollars of which was paid out in death claims. That sum exceeds by sixty per cent the entire amount of assets held by the companies at the beginning of the decade, and is greater by thirty per cent than the assets accumulated in the period.

The table herewith shows in comparative form the figures at the commencement and close of the past decade, together with the growth of the business and the aggregate transactions for the period.

	1905.	1895.	Increase in 10 Years. (1896-1905).	Totals for 10 Years. (1896-1905).
Number of companies.....	112	56	56	—
Capital stock.....	\$18,513,875	\$12,208,450	\$6,305,425	.....
INCOME.				
New premiums.....	85,813,440	44,516,899	41,296,541	\$650,343,981
Renewal premiums <i>a</i>	421,866,320	171,608,020	250,258,300	2,844,160,773
Received for annuities.....	8,317,075	3,588,389	4,728,686	76,051,819
Total premium income.....	\$515,996,835	\$219,713,308	\$296,283,527	\$3,570,556,573
Dividends, interest, etc.....	102,100,306	46,345,030	55,755,276	716,061,061
Received for rents.....	10,780,934	4,888,639	5,892,295	82,931,367
All other receipts <i>a</i>	13,180,455	981,732	12,198,723	67,824,753
Total interest and other income.....	\$126,061,695	\$52,215,401	\$73,846,294	\$866,817,181
Total income.....	\$642,058,530	\$271,928,709	\$370,129,821	\$4,437,373,754
EXPENDITURES.				
Paid for death losses.....	149,711,074	73,104,208	76,606,776	1,097,731,715
Paid for matured endowments.....	28,006,291	10,845,200	17,161,091	193,936,843
Annuities paid.....	6,747,726	2,401,040	4,346,686	44,662,299
Paid for surrendered, lapsed and purchased policies.....	44,360,392	23,346,071	21,014,321	292,720,148
Dividends to policyholders.....	36,143,400	15,439,834	20,703,566	252,191,816
Total payments to policyholders.....	\$264,968,883	\$125,136,443	\$139,832,440	\$1,881,242,821
Dividends to stockholders.....	954,197	815,997	138,200	8,802,916
Commissions, salaries and traveling expenses of agents.....	91,582,113	40,501,177	51,080,936	660,709,009
Medical fees, salaries and other charges of employees.....	20,902,583	8,651,561	12,251,022	142,881,185
All other expenditures <i>a</i>	33,442,913	14,679,021	18,763,892	247,317,682
Total expenses of management.....	\$146,881,806	\$64,647,756	\$82,234,050	\$1,059,710,792
Total expenditures.....	\$411,850,689	\$189,784,199	\$222,066,490	\$2,940,953,613
Excess of income over expenses.....	230,207,841	82,144,510	148,063,331	1,496,420,141
ASSETS.				
Real estate owned.....	170,616,599	125,059,007	45,557,592	.....
Bond and mortgage loans.....	723,507,218	412,435,028	311,071,190	.....
Bonds owned*.....	1,212,636,997	16,242,266	999,992,953	.....
Stocks owned*.....	172,742,135	459,143,913	17,271,111	.....
Collateral loans.....	46,320,369	29,049,258	190,043,619	.....
Premium notes and loans.....	225,568,149	35,524,530	29,569,855	.....
Cash in office and banks.....	77,053,477	47,483,622	26,158,751	.....
Net deferred and unpaid premiums.....	48,099,132	21,940,381	16,647,807	.....
All other assets.....	29,642,791	12,094,984	.....	.....
Total admitted assets.....	\$2,706,186,867	\$1,159,873,889	\$1,546,312,978	.....
Items not admitted.....	33,488,170	8,352,791	25,135,379	.....
LIABILITIES.				
Reserve.....	2,295,289,818	980,248,946	1,315,040,872	.....
Losses and claims not paid.....	14,720,428	6,085,268	8,635,160	.....
Claims resisted.....	967,162	1,026,345	—59,183	.....
Dividends unpaid.....	6,272,548	2,274,267	3,998,281	.....
All other liabilities <i>a</i>	55,323,064	8,033,700	47,289,364	.....
Total liabilities.....	\$2,372,573,020	\$997,668,526	\$1,374,904,494	.....
Surplus to policyholders.....	333,613,847	162,205,363	171,408,484	.....
POLICY ACCOUNT.				
New business written.....	1,913,628,636	894,575,268	1,019,053,368	\$14,706,828,741
New business not taken.....	187,881,430	100,707,795	87,173,635	1,503,633,199
New business actually paid for.....	1,725,747,206	793,867,473	931,542,433	13,203,195,542
Whole life policies in force.....	7,225,405,348	3,464,535,925	3,760,869,423	.....
Endowment policies in force.....	2,902,683,820	1,127,315,645	1,775,368,175	.....
All other policies in force <i>a</i>	926,142,453	325,836,640	600,305,813	.....
Total insurance in force.....	\$11,054,231,621	\$4,917,688,210	\$6,136,543,411	.....
Industrial business written.....	660,861,169	382,064,588	278,796,581	\$5,364,515,258
Industrial insurance in force.....	2,309,754,235	820,746,562	1,489,007,673	.....

* Prior to 1901 figures represent United States bonds and other stocks and bonds. *a* Where the various items of a few companies' statements have not been classified, the total amounts have been included in these aggregates.

It is made up from the tables appearing in The Compendium of Official Life Insurance Reports,* which gives complete details of the annual statements of all the life insurance companies of the United States.

As a further illustration of the great growth of life insurance in United States companies, it is worth while noting the aggregates of the companies at the close of 1885, twenty years ago. At that time there were but forty-seven companies all told, thirty of which were operating in New York and transacted about ninety-five per cent of the total business. The complete figures for all companies are not available, but those for the companies reporting to New York will serve for comparison. Those thirty companies received in premiums in 1885 the sum of \$78,784,824; for annuities, \$1,197,302, and from other sources, \$27,055,401, making a total income of \$107,037,527. Their payments to policyholders amounted to \$61,637,373, of which \$30,331,300 was for death claims, \$7,635,761 endowments, \$1,076,383 annuities, \$9,630,269 for surrenders and \$12,963,660 for dividends. The amount laid by from the income was \$25,537,614; the assets were \$524,705,494, and the surplus approximately \$70,000,000. New business written during the year was \$378,214,253, while the insurance in force was but \$2,024,102,988, representing 814,691 policies, exclusive of industrial business, amounting to \$144,101,632, divided among 1,360,376 policies. The foregoing figures by contrast indicate a marvelous growth in the comparatively short period of twenty years, and there is little doubt but that still further growth will be shown in the course of the next two decades.

LIFE INCOME PROVISION FOR BENEFICIARIES.

He had been a very prominent and successful lawyer, in receipt of a large income, and had amassed a considerable fortune. He died and left \$600,000 to his wife; supposedly enough to keep her in comfortable circumstances, in her home, during her life. But she wished to increase the amount left to her. She was young, and wanted all that money would bring. Like many another widow she listened to the voice of the speculator, to the buzz of the get-rich-quick bee. She bought heavily of stocks that had been paying fair dividends, out of which she had seen others draw their thousands. The stocks fell. Dividends were cut or ceased. Some of the securities were "undigested." Month followed month, with no appreciable improvement. Her house was heavily mortgaged, her fortune was practically swept away. For her two daughters, accustomed to all that wealth could give, she saw nothing but destitution. In the frenzy of her grief she ended her life by taking carbolic acid.

The husband could have prevented that tragedy. For a moderate sum he could have provided a guaranteed income of from \$100 to \$25,000 each for his wife and daughters—an income untaxable and continuous throughout their life-time.

Perhaps the most interesting sequel to the tragedy is that the day following the report of it a prominent life insurance agency received an application from a leading manufacturer for a policy to secure a life income for his daughter, aged eighteen; and another, a professional man, hurried in a request for one to be paid for in a single premium for his daughter, aged thirteen.

THE LEGISLATION IN NEW YORK.

Edward A. Woods, manager of the Pittsburg agency of the Equitable Life, analyzes the recent life insurance legislation in New York as follows:

To place companies more directly under the control of policyholders.
To mutualize the Equitable. This we felt to be of vital importance a year ago. It has been actually accomplished already by the new laws and in a far more effective way than with any other company.

To make the laws of New York the standard of the world.
To increase public confidence by greater publicity, more accurate and frequent accountings, a more complete voucher and audit system, and by more effective State supervision.

To protect or prevent companies from political or other blackmail.
To restrict the purchase and compel the sale of real estate which has proven an unremunerative asset.

To require a more strict standard of investment.
To encourage more leaning upon mortgages.

To require a more complete voucher and audit system.
To hold directors to a more strict trusteeship under heavy penalties.
By requiring standard policies.

To stop "twisting." A new policy will differ from an old one only in a higher premium, thereby destroying one of the standard arguments of the "twister," who shows different clauses in one policy not in another.

To forbid deceptive or trick policies.

To prevent misunderstanding and misrepresentation.

To reduce lapsing.

To suppress assessment and stipulated premium assurance.

To require more uniform rates and guarantees as well as policy conditions.

To prevent board member or stock bonus schemes.

To require all companies to give renewal contracts, as the Equitable has been doing.

To stop rebating.

To suppress high brokerages which encourage rebating, a poor class of agents, carelessly written business and resulting in dissatisfied policyholders.

To secure practically uniform commissions payable to all agents of all companies.

By forbidding advances as well as high brokerages, to eliminate irresponsible and impecunious agents from the business.

To compel us to live within our incomes by the prohibition of advances, raising the standard of those in the business.

To emphasize the advantages of a company of undoubted strength, large dividend-paying power, and the greatest liberality and promptness in settling its claims, because other conditions—namely, commissions, rates, guarantees and policy forms—will be nearly identical.

To eliminate extravagant and poorly managed companies, confining the business to companies of unquestioned strength and prosperity.

To give the public a quick and annual measure of efficient management, making it impossible for a company to conceal its extravagance until the end of the dividend period, by requiring the distribution of the dividends annually.

To reduce expenses and increase dividends to policyholders.

THE BALANCE—EXTRAVAGANCE AND LIFE INSURANCE.

Many companies declare that their increase in new life business is not up to expectations. We want to state emphatically that wherever this is true it is not due to any attitude of the public, but to the agents who represent the company, and to that mental state which lets "I dare not" wait upon "I will." That combination of inefficiency and cowardice which causes more failures in this world than anything else.

Life insurance is as necessary as it ever was, and more so, and is accomplishing to-day everything ever claimed for it, and what no other form of investment possibly can do. We are the most extravagant, wasteful and luxurious people nationally and individually on the face of the earth. It is said with some truth that a French family could live on what an American family throws away, and the French economist Le Roy Beaulieu declares that our salvation has been the fact that our people protect themselves by life insurance. On every hand the growth of luxury is apparent—the man of moderate means following to his utmost the pace set by the rich, the man of small means following him. The majority living right up to their means.

Look over the men in your locality who have automobiles. How many of these men can economically afford to buy them in the first place and afford to run them in the second. It is positively stated that many automobiles are purchased by people who have mortgaged their homes and property to do so.

Consider the millions spent in this form of recreation, and of the waste it entails, for the shrinkage in value on an automobile in one year is forty per cent of the initial cost. This is only one instance of extravagance. We specify it because it parades itself so evidently.

When you think of this one fact it should hearten you up to the fact that the need for life insurance is tremendous and that the possibilities of getting new business are in direct proportion to your persistence, courage and your presentation of the goods you have to sell.—The Travelers Agent's Record.

YOU ARE INSURABLE TO-DAY.

Will You be To-morrow?

You admit that you need more life insurance—that is, you would need it if you were to die now. Your untimely death would leave your dependents not so well provided for as you could wish. You mean to guard against that contingency—to take more insurance shortly. To be sure, accident or disease might make that impossible any day. That would be irretrievable disaster, but, in the exuberance of your present health and spirits, you cannot bring yourself to believe it imminent.

You are traveling along an unknown road. The ground is firm beneath your feet and free from obstructions; all about you is the bright sunlight; the way seems clear ahead, though you cannot see far. You know that the pathway you tread ends in a precipice—you may be upon the brink of it even now; but you cannot bring yourself to realize it. Most likely the danger is a long, long way off. You mean to step aside, in good time, to the broad highway of life insurance, in which are no pitfalls or hidden dangers, but not now; undue haste is not called for. The way you follow is pleasant and restful, free from care and—safe; at least, you believe the dangers far away.

To procrastination is to be attributed the existence of most preventable ills. Most misfortunes that befall us would have been prevented by the prompt execution of our purposes. But good intentions count for nothing when sudden disaster overwhelms. You are insurable to-day; there will come a day when you will be no longer so. That day may be to-morrow, or next week, or next year. However near or distant, it is twelve months nearer than it was a year ago; it is one day nearer than it was yesterday. Can you think of one good reason—one reason which your own judgment and conscience will fully approve—for delaying another hour?—The Statement.

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THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, August 30, 1906.

THE LATEST THING IN TWISTING.

By a Western Agent.

Recently an officer of one of the Eastern life insurance companies happened to visit the city in which I live, and we met accidentally on a street car. He was kind enough to compliment an article of mine which he had read in an insurance journal, and he suggested that I write something on twisting. He gave me a few facts which might serve as a basis. It would seem that the investigations of the Eastern companies and the eternal agitation of the newspapers and self-elected reformers has caused much uneasiness among the policyholders of our country. I have been unable to decide as to the extent of this uneasiness for the reason that there is much conflict of evidence. Some agents claim that everything is going to the bow-wows, and others say that business was never better. Now and then, however, an intelligent observer confirms some of the pessimistic statements, and my own experience has disposed me to believe that the policyholders of companies have been considerably unsettled during the last year. According to the officer whom I have previously spoken of, the agents of a number of companies are disposed to take advantage of the fear of policyholders to twist business. In one of our large cities the twister is said to operate as follows: In his preliminary canvass he does not urge the merits of insurance in general or his company in particular. He simply moves around quietly and discreetly, and gets all the information he can, finds out how much insurance a policyholder carries, how long he has carried it, and if he has any doubts about his company. With this data the twister then repairs to his office and figures industriously. If he finds that he can replace a policy by one of his own and still show a small cash gain to the policyholder, the twister does it. He accomplishes his purposes all the more easily by appealing to the fears of his victim. His argument is something like this: "My friend, you want insurance and you want it as cheap as you can get it. I can give you a policy in my company at your advanced age, and after allowing for all that you lose by lapsing, you will still make a larger profit than you would by keeping your present policy in force. Furthermore, you are in a company that has been shown to have much rottenness in it. True, it has been cleaned up, but it may get rotten again. Now, my company has never been rotten. It has been examined repeatedly, and only recently it has gone through the ordeal without a smirch. That is the kind of company that you ought to be in, and it is not too late for you to get in with a profit to yourself." These arguments often prove convincing, and many valuable policies have been sacrificed as a result.

I believe that I must say again what I always say when I discuss twisting, that it is no use to try to meet a twister by the argument that statements about differences in profits are fallacious, and that all companies are about alike. Companies are merely men, and men are not alike. I have always made a comparatively moderate salary, but I have almost always been able to save one-third of it. I know men who make two and three times as much money as I do, but they cannot save a cent. There are men who can make \$10.00 to my one with one-tenth the effort. Take our medical examiners. One will examine everything about an applicant from his toe-nail to his spinal column,

while another will hardly touch him. One man will make thousands out of the chicken business while others will starve to death at it. As long as there is so much difference in the abilities of men it is foolishness to say that all companies are alike and that profits are fallacious.

Furthermore, I think we all fail to estimate fully the temptation which surrounds the man who works for a company that makes a specialty of profits, or cash returns, or whatever else the specialty may be called. Money represents almost all that man cares for. It can be exchanged for almost anything that is not conditioned by time or natural laws. I mean by this that it will buy anything that is purchasable, and there is nothing which will move a civilized man so quickly as money. It is surely conceivable that the twister has sound arguments and real facts upon which to base his practices or he could not be successful, would not be anathematized by his brethren, and when an agent finds that he can take up a policy and replace it with his own and still show a cash gain to the policyholder, he is assailed by a temptation which is almost irresistible. He has an argument at his command to which almost all men respond, and since he finds a policyholder already at hand and he does not have to take the trouble to make him, why not go at him with the universal and convincing proposition to save money? This is the real position of the successful twister, and if anyone asserts that it is easy to refute or ignore this advantage, he confesses either his insincerity or his ignorance of human nature. No, we cannot reform the twister by merciless condemnation or by trying to show that his success is based on a fallacy.

Twisting ought to cease, because it is not only injurious to the cause of life insurance, but it is also injurious to both the twisted and the twister. The human mind is so extremely limited in its range that a man must get settled in some spot at a very early age in his life and remain there. He cannot expect comfort or happiness if he does not remain there. Many persons have been surprised that such a large percentage of the inhabitants remained in San Francisco after the earthquake. They could not do anything else. They knew nothing but San Francisco, and they were too old to learn any other part of the world. They may be in danger from future earthquakes, but they would be in worse danger if they went into a strange city or country. In our most insignificant transactions we find it necessary to find something that suits our needs and to rely upon it forever afterward. My family physician understands my constitution, and has shown himself capable of guarding my health. I, therefore, cling to him and refuse to employ a stranger. I would not use a strange physician if he worked for nothing, because I would be afraid of him and he could then do me no good. My grocer furnishes me with foods that nourish me, and I do not run after strange grocers. If I take a life insurance policy and begin to have confidence in my company, why should a few dollars, more or less, tempt me to enter a company that I know nothing about? I have so many flyers offered to me that I could carry \$10,000 a year for little or nothing, but I refuse to do it. I have as much as I can afford in a company that I have confidence in, and if I could carry \$100,000 on the flyer plan for the amount that it costs me at present it would be no temptation. I can sometimes make extremely strong statements when I get enthusiastic, but if I ever told the un-

varnished truth I do so when I say that flyers and cheap insurance schemes do not appeal to me.

I bought a fine brass bed last year of a furniture dealer who has served me faithfully for a number of years. A member of my family urged me to attend some bargain sales but I declined. When I undertook to set up the bed I broke it in one place. It was not my fault, as I had followed the instructions of the clerk strictly, and when I reported to the dealer he sent up his wagon immediately and removed the bed to the repair shop. If I had broken a bargain-counter bed it probably would have cost me all that I saved to have it repaired in addition to a number of other annoyances. I don't know whether I paid more or less for the bed than it would cost me at the average furniture dealer's, and I don't care. I know that when I buy goods at a certain store they are what they are represented to be, and they either give satisfaction or the dealer indemnifies me. I don't figure that he is just as cheap or just as good as any other dealer. I simply know that he satisfactorily supplies my wants, and he is therefore the best for me. Now, there is not one man in ten thousand who is capable of investigating a life insurance company and deciding upon its abstract merits. When he is taking his first policy it is right and proper for him to investigate his prospective company as fully as he can, and he may consult friends and financiers about the matter. But if he once enters a standard company, and it is not difficult to find a standard company, his only safe course is to remain in it. I don't care what the company is so long as it is a standard company. I prefer my own company to any in the world, but I would not advise any man to leave another good company and enter mine merely for the sake of some small difference in profits or other supposed advantages.

Such are some of the arguments that I would address to the twister. The real art of soliciting consists in making converts to the scheme of life insurance, and not in merely substituting one company for another. The solicitor who enjoys fine workmanship should bear in mind that he is not achieving it when he is preying upon the ignorance and fears of every timid policyholder. If he is so hard pressed that he must get an application by every means that he can, it would probably be more dignified for him to make a change of callings.

FRIENDSHIP IN BUSINESS.

An attache of a commercial journal and a life insurance agent were conversing, recently, about business and the methods of obtaining it, when the advertising man made the assertion that he secured a good deal of business, first and last, given to him by those whose confidence he possessed to a high degree, whom he had known for many years, simply through friendship for him.

The life agent was inclined to accept the above assertion with the proverbial "grain of salt," arguing that while friendship might have had something to do with securing unusual consideration of the advertising man's proposition, the houses in question would not have, after all, given the business if they had not believed that there would be "something in it" for them: that is, if they were good business concerns and accustomed to advertise.

"I know," continued the life agent, "that I write a great many policies which friendship, or intimate acquaintance, of long standing, have directed to me instead of to some other agent; but I cannot recall one single instance where the application was made and the policy delivered unless the assured really wanted the insurance and had made up his mind to take it. That being the fact, confidence in me, together with intimate acquaintance, secured for me the business.

"I recall a case where a client of mine had stated on more than one occasion that he was going to take more insurance as soon as he saw his way clear to do so. I knew him to be financially able to take additional insurance, but I also knew that he would not take it until, through certain developments and adjustments of his affairs, according to his way of managing them, he was ready to make application.

"I also knew that when he was ready to act that I should get his business. But I was aware, too, that, great as was his friendship for me, that he would not patronize me if I did not represent as good a company as any in the world.

"When the time came he called me up by telephone, I called upon him and secured his application.

"So I say, and insist, that, all things being equal, a clear-headed, methodical business man will favor his friends in a business way, but not unless he is satisfied, in his own mind, that it will be safe and profitable for him."

INTRODUCTORY LETTERS.

"Is it your experience," asked one life agent of another, "that people to whom you are presented by notes of introduction from some mutual friend, as to whom you are referred with permission to use the introducer's name—are offended at what might be termed 'a liberty'?"

"No," answered the other, "because I am not a 'Buttinsky'."

"Some people are very touchy about having their names given to a life agent or to any other kind of a solicitor; but no considerate person will give a reference unless he is on some terms of intimacy with the third person, and then only to those in whose discretion he has confidence.

"To abuse such confidence, either through thoughtlessness, carelessness or ignorance, is nothing less than a crime.

"When I am given a name, or a note of introduction, I make careful observation, reconnoiter the premises, so to speak, before I make my call. I cannot give any rule or explicit directions, because no two cases are exactly alike; but I take good care that my initial call shall be made in such a manner and under such circumstances as to be mutually agreeable. Indeed (not to flatter myself or appear egotistical), I recall one instance where a man to whom I had been introduced by letter thanked my friend for having sent me to him.

"It is all a question of tact and good judgment. If an agent 'blows' into a business man's office, or 'butts in' on a person anywhere, he stands a good chance of offending him. I never forget the directions of an old scout for approaching a camp at night, whether the camp was known to be friendly or not—'sift in.'"

THE ONE WAY.

It is not the man who lives to old age, supports and educates his children and saves a competence, who contributes to the class of applicants for public charity; but the one who is taken away while his children are infants and who has not had the time given him, no matter how affectionate and thrifty he may be, to provide for their needs, who is a liberal contributor to the membership of the orphan asylum and the almshouse.

He may avoid this danger by postponing marriage for such time as will enable him to accumulate a sufficient sum to insure the comfort of a family. But neither morality nor the public welfare will be best served by the establishment of such a principle. There is but one way in which he can follow the course which nature intended him to take, and that way is open to him through life insurance. By the payment of comparatively small sums at convenient intervals, he can relieve himself of the responsibility of the distress which would fall upon his dependents in case of his premature death, and he can, moreover, provide for his own future in case he should survive the time when, from physical weakness, he shall become incapacitated from earning his own subsistence.

MAKING CAREFUL INVESTIGATION.

A gentleman who contemplated taking additional life insurance, recently, before he made an application, visited the Insurance Department of his State and asked concerning the standing and ability of the company in which he contemplated taking insurance. He had policies in several other companies, but had never insured in this one.

The State official spoke very highly of the company and gave it his personal endorsement. The prospect told the agents of the company what he had done, and they, knowing the official to be very conservative and not inclined to give gratuitous endorsements, were very much pleased.

The point is, that if every insurer would use the same careful methods in connection with life insurance that he does with other business transactions it would do much to further popularize the business.

NEW YORK STANDARD LIFE POLICY.

A committee of actuaries, consisting of all connected with New York life insurance companies who are members of the Actuarial Society of America, have been at work revising the standard policy adopted by the legislature of New York at its last session. A number of inconsistent and ungrammatical terms were in the draft as passed, and inasmuch as the Superintendent of Insurance has power to amend the form the revised contract will be submitted to him at once. In view of the weight of the authority back of the revisions there should be no question as to the acceptance of the revised form. The following shows the standard form of endowment policy as drafted by the committee:

ENDOWMENT POLICY.

In consideration of.....dollars, receipt of which is hereby acknowledged, and of the payment of a like sum upon each.....day of.....hereafter until.....full years' premiums shall have been paid or until the prior death of the insured.

Promises to pay at the home office of the company in.....to.....of.....County of.....State of.....herein called the insured, on the.....day of....., if the insured be then living, or upon receipt at said home office of due proof of the prior death of the insured, to.....beneficiary.....with.....right of revocation,dollars, less any indebtedness hereon to the company and any unpaid premium or unpaid portion of the premium for the then current policy year.

Change of Beneficiary—When the right of revocation has been reserved, or in case of the death of any beneficiary under either a revocable or irrevocable designation, the insured, if there be no existing assignment of the policy made as herein provided, may designate a new beneficiary with or without reserving the right of revocation by filing written notice thereof at the home office of the company, accompanied by the policy for suitable endorsement thereon. If any beneficiary shall die before the insured the interest of such beneficiary shall vest in the insured.

Payment of Premiums—The company will accept payment of premiums at other times than as stated above, as follows:.....

Except as herein provided the payment of a premium or instalment thereof shall not maintain the policy in force beyond the date when the next premium or instalment thereof is payable.

All premiums are payable in advance at said home office or to any agent of the company upon delivery of a receipt signed by an executive officer (the company may here recite the titles of the several executive officers) of the company and countersigned by said agent.

A grace of one month subject to an interest charge at the rate of.....percentum per annum shall be granted for the payment of every premium after the first, during which month the insurance shall continue in force.

Conditions—The policy may here provide for restrictions of liability by reason of travel, occupation, change of residence and suicide. These restrictions, except such as refer to military and naval service in time of war, must be applicable only to cases where the act of the insured provided against occurs within one year after the issuance of the policy.

Incontestability—(The policy shall here provide that it shall be incontestable, except for non-payment of premiums, either from its date or after one or two years, in the following form:)

This policy shall be incontestable, except for non-payment of premiums,from its date.

If the age of the insured has been understated, the amount payable hereunder shall be such as the premium paid would have purchased at the correct age.

Participation—This policy shall each year participate in the surplus of the company as provided by the laws of the State of New York now in force.

Dividends—Dividends at the option of the owner of this policy shall on the.....day of.....each year be either—(1) Paid in cash, or (2) Applied toward the payment of any premium or premiums, or (3) Applied to the purchase of paid-up additions to the policy, or (4) Left to accumulate to the credit of the policy with interest at.....percentum per annum and payable at the maturity of the policy, but withdrawable on any anniversary of the policy.

Unless the owner of this policy shall elect otherwise within three months after the mailing by the company of a written notice requiring such election as provided by the laws of the State of New York, the dividends shall be applied to purchase paid-up additions to the policy.

Loans—The company will at any time advance upon the sole security of this policy, at a rate of interest not greater than.....percentum per annum, a sum not exceeding the amount specified in the table of loan values herein set forth, deducting therefrom all other indebtedness hereon to the company. Failure to repay any such advance or interest shall not void this policy unless the total indebtedness hereon to the company shall equal or exceed the surrender value provided for in Section 88 of the Insurance Law of the State of New York, and until one month after notice shall have been mailed by the company to the last known address of the insured or the assignee.

Assignment—No assignment of this policy shall be binding upon the company unless it be filed with the company at its said home office. The company assumes no responsibility as to the validity of any assignment.

Options or Surrender or Lapse—After this policy shall have been in force three full years it may be surrendered by the owner at any time within three months after any default. Thereupon,

(1) If there be no indebtedness to the company the owner may elect either (a) to continue the insurance in force for its face amount and any outstanding dividend additions, but without future participation and without the right to loans, and if the sum applicable to the purchase of

temporary insurance shall be more than sufficient to continue the insurance to the end of the endowment term named in the policy the excess shall be used to purchase in the same manner non-participating paid-up pure endowment insurance payable at the end of the endowment term and on the same conditions as this policy, but without the right to loans, or (b) to purchase non-participating paid-up insurance payable at the same time and on the same conditions as this policy. The periods for which the insurance will be continued and the amounts of pure endowment and paid-up insurance which will be allowed, exclusive of the application of dividend additions, are shown in the table of surrender values herein set forth.

TABLE OF LOAN AND SURRENDER VALUES.

At the option of the company the following clause may be inserted:

The loan and paid-up insurance values stated in the following table apply to a policy for \$1000. As this contract is for \$.....the loan, paid-up insurance or pure endowment available in any year will be.....the amount stated in the table for that year.

Bottom of Table—Values for later years will be computed and furnished upon request.

(2) If there be an indebtedness to the company, the owner may elect either (a) after deducting the indebtedness from the amount which otherwise would be applicable as a surrender value to the purchase of temporary insurance for the period aforesaid, to have the remainder applied to continue the insurance in force without participation and without the right to loans for the face amount of this policy and dividend additions less the indebtedness, and if the sum applicable to the purchase of temporary insurance shall be more than sufficient to continue said insurance to the end of the endowment term named in the policy, to have the excess applied to the purchase of pure endowment insurance as aforesaid, or (b) after deducting the indebtedness from the amount which otherwise would be applicable as a surrender value to the purchase of non-participating paid-up insurance as aforesaid, to have the remainder applied to the purchase of a proportionate amount of non-participating paid-up insurance.

If in the event of any default in the payment of premium or otherwise, after the policy shall have been in force three full years, the owner shall not exercise either of said options within three months after such default, the insurance shall be continued as provided in one of options (a).

In any case of continued temporary insurance under any of the above provisions this policy upon satisfactory evidence of insurability may be reinstated within the first three years of the term for which the insurance is continued by payment of arrears of premiums and of whatever indebtedness hereon to the company existed at the date of surrender or default, with interest at a rate not exceeding.....percentum per annum.

Modes of Settlement—The insured, or the beneficiary after his death, in case the insured shall have made no election, may by written notice to the company at its home office, elect to have the net sum payable under this policy upon the death of the insured paid either in cash or as follows:

(1) By the payment of an annuity equal to.....percentum of such net sum payable at the end of each year during the lifetime of the beneficiary, and by the payment upon the death of the beneficiary of the said net sum, together with any accrued portion of the annuity for the year then current, unless otherwise directed in said notice, to the beneficiary's executors, administrators or assigns.

(2) By the payment of equal annual instalments for a specified number of years, the first instalment being payable immediately, in accordance with the following table for each one thousand dollars of said net sum.

(3) By the payment of equal annual instalments payable at the beginning of each year for a fixed period of twenty years and for so many years longer as the beneficiary shall survive, in accordance with the following table for each one thousand dollars of said net sum.

Any instalments payable under (2) or (3) which shall not have been paid prior to the death of the beneficiary shall be paid unless otherwise directed in said notice to the beneficiary's executors, administrators or assigns.

Upon the maturity of this policy as an endowment the insured, by written notice to the company at its home office, may elect to have the net sum payable hereunder paid either in cash or in one of the following methods, designating whether the payment shall be made to the insured or to the beneficiary or to them both jointly as herein provided:

(4) By the payment of an annuity equal to.....percentum of the net sum payable at the end of each year either to the insured for life or to the beneficiary for life, or to both during their joint lives and to the survivor during life, and by the payment upon the death of the payee or surviving payee of the said net sum, together with any accrued portion of the annuity for the year then current, unless otherwise directed in said notice, to his or her executors, administrators or assigns.

(5) By the payment of equal annual instalments for a specified number of years, the first instalment being payable immediately, in accordance with the following table for each one thousand dollars of said net sum, either to the insured or to the beneficiary or to both jointly and to the survivor.

(6) By the payment to the insured or to the beneficiary of equal annual instalments payable at the beginning of each year for a fixed period of twenty years and for so many years longer as the payee shall survive, in accordance with the following table for each one thousand dollars of said net sum.

(7) By the payment to the insured and to the beneficiary jointly and to the survivor of equal annual instalments payable at the beginning of each year for a fixed period of twenty years and for so many years longer as they or either of them shall live, computed by the same mortality table and rate of interest as used in computing the amounts to be paid under options (3) and (6).

Any instalments payable under (5), (6) or (7) which shall not have been paid prior to the death of the payee or surviving payee shall be paid, unless otherwise directed in said notice, to his or her executors, administrators or assigns.

When any option calling for annual payments is elected, this policy shall be surrendered and a supplementary non-participating contract shall be issued for the option elected.

Unless otherwise specified by the insured or by the beneficiary in making such election, the payee or payees may at any time surrender the contract guaranteeing the payment of instalments for the commuted value of payments yet to be made, computed upon the same basis as options (2) and (5) in the following table, provided that no such surrender and commutation will be made under (3), or (6), except after the death of the payee occurring within the aforesaid twenty years, nor under (7), except after the deaths of both the insured and the beneficiary occurring within the aforesaid twenty years.

TABLE OF INSTALMENTS.

No person except an executive officer of the company as aforesaid has power to modify this policy or to extend the time for paying a premium.

In witness whereof, the company has caused this policy to be executed this.....day of.....

EXAMINATION BY PUBLIC ACCOUNTANTS.

Last winter an association of public accountants endeavored to take advantage of the turmoil incidental to the life insurance investigation by presenting to the New York legislature a bill to compel all life insurance company statements to be audited by certified public accountants. They also presented a form of annual statement which differed in many important particulars from the form used by the insurance departments, and which, though concededly defective in minor points, represents the accumulated experience of many years in the compilation of annual reports. The object of the bills was clearly to provide a fat source of income for the public accountants, and the bills rendered for their services in connection with the three big New York companies show what a big plum they were striving for. In this connection, Insurance Commissioner Cutting of Massachusetts in his annual report makes the following comments:

The person who studies the statements of the various companies represented in this volume will find nothing which will awaken his curiosity any more than the figures in the report of the Equitable Life, which show the cost to the policyholders of that company for examinations during the past year or more. In the first place there was the investigation by the "Frick" committee; but that did not cost much—only \$1,126.32, the compensation of its secretary. Then came the examination by the New York Insurance Department, which, aside from the Superintendent's preliminary report, which threw such a flood of light upon the doings of the officers of the company for many years, presented in detail later a statement of the condition of the company, the real estate, mortgages and other securities having been duly valued by experts. This examination cost the company \$15,133.55, which cannot but be regarded as reasonable. Third was the examination by "public accountants." This cost \$206,118.36, including in the amount a few thousand dollars for subsistence and other out-of-pocket expenses, but nothing for cost of appraisal of real estate owned by the company or securing its mortgages, which cost over \$50,000 additional. It appears from the bills rendered that three classes or grades of accountants were employed in this work. The first, styled "principals," had \$50 per day; their pay amounted to \$57,687.25. The second, styled "accountants (senior)," received \$25 per day, and were paid in the aggregate \$46,834.38. The third were simply "assistant accountants," and they had to be content with \$15 per day. In tabular form this appears as follows:

Rate per Day.	Number of Days.	Amount Paid.
\$50	1,033%	\$51,687.50
25	1,873%	46,834.38
15	6,923%	103,854.38
		<u>\$202,376.26</u>

This is probably the high-water mark for cost in the examination of financial affairs of any corporation in this country. Beside these figures, the expense of the Department examination seems insignificant. Had the New York Department, or any other, put the policyholders of the company to such an expense for an examination as was incurred for this one made by the public accountants, it would have been hooted all over the country as a lot of "grafters." In fact, it is not too much to say that no insurance department would ever have thought of making an examination at such an enormous expense, and no company would have stood such a charge by an insurance department.

And what was there to show for this expenditure? As far as the public or the policyholders or the insurance departments know, nothing of moment that was not found by the examination of the New York Department.

But the experience of the Equitable, while unique for size of the bill, is not the only experience of the kind within the past year or so. The New York Life's books and accounts also were turned over to "public accountants." They have recently finished their labors, and the bill they rendered for the examination is worth a moment's attention. The following table tells the story:

Rate per Day.	Number of Days.	Amount Paid.
\$100	26 1/2	\$2,650.00
50	78 1/2	3,925.00
25	627 3/4	15,693.75
20	1 3/4	35.00
15	2,769 5/8	41,541.25
		<u>\$63,845.00</u>

Expenses, traveling and maintenance cost \$3,587.50 more, making the total cost of the examination \$67,432.50. This is nearly the equivalent of twelve men a year, calling three hundred working days to the year.

Now, is the conclusion from this that examinations by public accountants are not desirable? By no means. Systematic audits of income and disbursements of corporations by outside accountants are useful and perhaps necessary, but it is much to be doubted if it is necessary to go to any such expense as the policyholders are called upon to stand in these cases. At the rate of \$30,000 a year and expenses for an accountant is a figure that should make the president of the company himself tremble for his laurels, and \$4500 a year and expenses for the ordinary "checker" might well cause the average Insurance Commissioner to wonder if really his own less paid position is of so much smaller consequence than that of the cheapest man that can safely be used in the audit of an insurance company.

VIEWS OF INSURANCE COMMISSIONER OF KENTUCKY.

In the annual report of Henry R. Prewitt, Insurance Commissioner of Kentucky, the following comments appear on the life insurance situation:

Life insurance is now recognized by the country as one of the most important factors in the business world. It is so interwoven with our financial system that it would be impossible to discontinue its uses, if we were so inclined. It is not an experiment in any sense of the term, but recent months have developed that it stands out to-day before the world uninjured. The recent investigations have clearly demonstrated that the faults were in the men who had managed these great institutions, rather than in the business itself. The investigations which have resulted in many reform laws being enacted in some of the States will be of great benefit to the insuring public. I believe that insurance written under the reform laws of New York will be better than it has heretofore been. I believe that the present policyholders in insurance companies will receive more benefit in the future from their policies than they have in the past, or would have received if the reform laws had not been enacted. I unhesitatingly advise all policyholders to continue their policies in the authorized insurance companies of this State. However, to-day, in the fierce competition that we have and may expect to have in the future, all kinds of alluring contracts and schemes will be offered to the public. While perhaps I am not called upon to advise the general public as to the kind of insurance or the kind of contract they should accept, yet believing as I do, I cannot refrain from stating that an annual dividend policy with extended insurance features, etc., in a mutual company, or a non-participating policy in a stock company are, to my mind, ideal policies for the general public. All special inducements, agency contract schemes, special contracts, etc., must in the end result in disappointment to not only the assured, but the company as well. If the company carries out its special inducements, it will entail enormous liabilities that must of necessity be paid by future policyholders, which in itself would be a great burden.

Insurance should be written strictly on insurance principles, regardless of any extra or side inducements. The annual dividend policy or the non-participating policy above referred to in a company that is properly managed, in the end will prove more satisfactory to the assured than any other contract that can be made.

I cannot refrain from giving my endorsement to laws that will reduce the cost of insurance to the general public, and this to my mind can be accomplished by passing a law that will require annual accountings and an annual distribution of surplus; the issuance of the deferred dividend contracts should be prohibited by statute. Proper laws to regulate investments, laws giving to policyholders a representative form of government in the control of mutual companies, and other reform laws that have been advocated during the last year meet with my hearty approval.

AN EDUCATOR.

The life insurance agent is an educator. His mission is not entirely mercenary, as is too often represented. That he is working for himself is true. No occupation is entirely without a tincture of self-interest. It must be so, for it would lose its zest, be shorn of ambition, motive, if some portion of selfishness did not enter into it.

Yet, incidental to the fact that he is endeavoring to earn his daily bread is the other fact that in so doing he is educating his fellow men in directions which are helpful, not alone to the individual, but to the community at large.

A life agent conscientiously pursuing his calling in any community, cannot help being more or less successful, and if he succeeds in so impressing a half-dozen, or a score, of individuals that they accept the truths of life insurance, he has not only helped them to a broader light in economics, but has also through them and their ever widening influences wrought a noble work upon the community in which they live and move.

To one who remembers the business of a quarter of a century ago, its difficulties and discouragements on account of the dense ignorance of the average man upon the subject of life indemnity, and who now sees the comparatively easy manner in which men are approached and made to grasp the first and underlying principles of the science, it is impossible to doubt that a great work of an educational nature has been wrought upon the public mind by the persistent, tactful contact of the life solicitor.—Hartford Life Bulletin.

It isn't wicked to suppose, is it? Suppose you were the wife and she the husband, and you knew what thin ice he was skating on, wouldn't you advise and insist on insurance?—"Life Insurance Sayings."

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, September 13, 1906.

FOR THE ENCOURAGEMENT OF THE SOLICITOR.

By A WESTERN AGENT.

In this article I desire to tell the insurance solicitor of a peculiar law of the mind which it should be especially helpful and encouraging for him to know about, and to make the matter clear it will be necessary to give a number of illustrations.

I have a friend who is now past sixty-five years of age and at this time of life the scientists tell us that the brain hardens up a little and loses some of its flexibility. At any rate, I think I notice a demonstration of the fact in the case of my friend. He is not only what we call an educated man, being a graduate of a university, but he is a man of wide reading and has some reputation as a writer. Nevertheless his faculties have grown somewhat dull and his mind has a tendency to run in a kind of mechanical routine. About once a week he and I meet with five or six other persons and we read a book together. At these readings we criticise everybody from the author of the book to the President, exploit our theories and relieve ourselves of any spleen which may have accumulated during the week. It follows that we relate numerous anecdotes and personal experiences. During the week I sometimes meet my friend for a few minutes and, like other gossips that we hear of, we get to talking about our reading circle and perhaps comment on other members. I have been greatly surprised to notice how often my friend repeats to me stories and anecdotes which we have heard together, apparently without the least recollection that I should know them as well as he. What is worse yet, he not infrequently repeats to me as though it were some entirely new information, a fact or a story which I myself have related to the circle.

Now it is not in any respect necessary to my illustration, but since I am making literary capital out of my friend, I think I had better do him the justice to say that his mind is not decaying in the sense in which the ordinary man would understand that expression. His memory is simply losing its alertness, and he consequently is not so entertaining a companion as he used to be.

I am now ready to give out a small installment of science, and I will do my best to make it perfectly clear and simple to the reader. The mind has a way of acting which has been called the association of ideas. A great many illustrations of it have been attempted and I will give one or two of the stock illustrations and perhaps one of my own. It is said that when a man who has sufficient education to read and write, hears the letters of the alphabet, A B C, the next three letters D E F will immediately come into his mind. Or, if he is familiar with most of the stock nursery rhymes, and someone repeats the line,

Peter, Peter pumpkin-eater,
he will at once think of the next line,
Had a wife and couldn't keep her.

My own illustration would be this: Suppose the solicitor has at some time in his career written a man with an odd name, something like Sourbier, and under strange or unusual circumstances. Months or years after that, someone pronounces the name Sourbier in his presence, or he meets a new acquaintance by that name, and as soon as he hears it the writing of the application and all the circumstances

flash into his mind. When I was a boy I went to school to a teacher by the name of Matthew James Wagle. Every time I hear the name Matthew or the letters M. J., I think about my school days and my former teacher. It is because one thing can hardly come up in the mind without suggesting another that scientists speak of the process as the association of ideas.

This tendency of the mind has been analyzed and different kinds of association have been described and explained by the text-book makers, but there is only one kind that I shall talk about in this article. It has a big, ugly word attached to it as a label, but I think we can understand what the thing is in spite of the big word. It is called association by contiguity. Now contiguity simply means the state of being near. Two houses that are near to each other or touch each other are contiguous. The man who associates his ideas largely by contiguity has merely a mechanical kind of mind. He has not much originality or variety in his thoughts, and facts lodge in his mind and stay there in just about the same way that they appear in the outer world.

For example: A man who has been employed in a dairy for a number of years goes to a large city and takes up other work. After a few months he sees a cow and immediately thinks about milking her and the dairy at which he formerly worked. The things come out of his mind, or the images and ideas rise in it exactly as they were put into it. A certain house, a barn, a cow and milk having at one time been not far from each other in the outer world, they went into his mind together, and thereafter seem to have something of the same nearness to each other that physical objects have. A coal bin may contain a few chunks of coal, a basket of lime and a hen's nest. The eggs, lime and coal bear no relation to each other except that they are accidentally thrown together in the same box. They have no power of shifting themselves, of taking each other's place, or of being anything else than eggs, lime and coal. They are simply contiguous, or near to each other. Now if we put molasses, vinegar, alcohol and a dozen other liquids into the same vessel they will be more than near to each other. They will all mix together and lose their identity in some new combination. The man who associates by contiguity, who puts ideas into his mind and permits them to remain there without shifting them about or rearranging them, is said to have a mechanical mind, and the ideas which go into it are as inert and stationary as the contents of a coal bin.

Now I am ready to make an application of this bit of science and I believe that I can show that the operation of the law which is known as association by contiguity is especially helpful to the insurance solicitor. When the solicitor has talked insurance to the same prospect for a number of times, his image is pretty thoroughly fixed in the prospect's mind and in close association with what he has said about insurance. Not only will the prospect always associate the solicitor in his thoughts about insurance, but each time the solicitor interviews the prospect a very distinct and vivid memory of the insurance facts, appeals and arguments will come up in his mind. I wish now especially to emphasize that after a number of interviews, the mere physical presence, the mere body of the insurance solicitor will be sufficient to

recall to the prospect what has been said to him on the subject of insurance. Furthermore, this rising in his mind of facts which he has not much thought about in the meantime, which he has probably tried to forget, and which he does not now willingly call up, will have the effect not only of reducing his resistance to the solicitor, but sometimes it will make him passively obedient, make him almost willing to do anything the solicitor requests.

About three years ago I went to assist a district agent in a community where the inhabitants are dull-witted and probably associate their ideas in the mechanical way which we call by contiguity. At any rate the district agent and I selected a German farmer and began to urge him to insure. He did not at any time offer a very serious objection to life insurance and had no faults to find or questions to ask. If he had any reluctance to signing an application I think it was perhaps because he did not understand what a policy means. We had four or five interviews and he continued to express himself as being about ready to get down to business. Upon one occasion I particularly remember that the district agent and I nearly weakened our vocal chords in an effort to get him to close up, but failed. About twenty-four hours after that we determined to write the farmer's application or mark him off the list. Accordingly we marched upon him as he was plowing corn and requested him to rest and listen for a moment. To our great surprise he offered not another word of protest but obeyed us as meekly as the most angelic child. He signed an application, gave a note for the premium and is one of our best policyholders to-day. Now I am satisfied that as soon as he saw us all that we had previously said to him rose up in his mind in a purely mechanical association and made him perfectly willing to yield to our importunities.

I could recall twenty-five illustrations of this kind from my field experiences, but I must now conclude this article. The encouraging thing for the solicitor is, that a majority of men associate by contiguity. They have minds that are of the mechanical order and the moment they catch sight of the solicitor they will remember their previous interviews with him and will be reduced to more or less docility. The best minds have much that is mechanical in their operations and the solicitor may frequently be aided by some mechanical association where he least expects it. I should feel injured if anyone accused me of having an inferior mind, and yet I catch myself in a thousand mechanical associations. If anyone mentions the tongue I am almost sure to think about what the Bible or Shakespeare has said about this organ and to beg leave to make a quotation. Let the solicitor keep at his work, then, and remember that as rain and dew and other natural processes work for the farmer, so hidden mental processes work for the solicitor.

HOW DIPLOMACY AND PATIENCE WON.

Recently it became known to a certain wide-awake and enterprising life agent, among others, that a man prominent in the community, who had been known in several parts of the world as a captain of enterprise, and who was a reputed millionaire, was really worth as many thousands as he had been thought to possess millions. That is, it became pretty well understood that after years of promoting vast enterprises, followed by years of retirement from business activity, circumstances had combined to shrink his fortune until it was so many thousands instead of so many millions.

The life agent pondered over the case and being an agent accustomed to tackle large propositions, he thought he saw an opportunity for a big stroke.

He figured, taking into consideration the social standing and manner of life of the man in question and his family, that the wife was, in all probability, not familiar with her husband's actual condition. As he thought of it he saw great possibilities, but the case was one which involved careful work, great diplomacy, absolute surety of every step.

By following up the proper channels he made sure that the report that the eminent citizen was a comparatively poor man instead of a very rich man was true, then he moved ahead.

Very carefully he cultivated the acquaintance of persons intimate with the family of the reputed millionaire, people who possessed their confidence intimately. It required several months to work up the case, but when he was ready to make his initial call upon the wife, he

took with him such introductions that he was able to approach her as a friend and would-be benefactor.

With great tact he touched upon the fact that her husband's fortune was comparatively infinitesimal, skillfully impressing upon her the probable fact that her husband's pride and love for his family, for her in particular, would prevent him from making his financial condition known, impressing upon her mind, very diplomatically, the hardship to her, in her position and after her mode of life, should she be suddenly left dependent upon an estate, the income from which would not even support her.

Gradually he brought out the point that her future could be assured and rendered safe through the medium of life insurance.

She admitted the indisputable facts and promised to try to have her husband make such provision.

Here the pith of the story ends. The agent landed the contract he started out to get; but the illustration is in the enterprise, the resourcefulness and the skill of the agent. He knew his business; he was a diplomat, and he is worthy of emulation.

COMMISSION OR NO COMMISSION.

Every little while it occurs to some bright star in or out of the life insurance firmament that if life insurance could only be sold without the intervention of the commission consuming agent, this much needed protection could be furnished at an astonishingly low rate. To see how the insurance business prospers under the two systems, viz.: that of paying commissions to agents to seek the customer and that of waiting for the customer to seek the agent or company, it is only necessary to examine the conditions prevailing among the commission paying and non-commission paying companies of England where the latter method has been given a more thorough trial than anywhere else. The achievements of these two classes of British companies have been very clearly set forth in a recent issue of an Australian paper in the following manner.

A comparison of the results of three non-commission paying British offices with three well-known commission paying offices will throw much light on the subject. The following figures are the latest available:

	NON-COMMISSION PAYING OFFICES.			Metro- politan.
	Equitable.†	London Life.		
Policies, new, number.....	290	248		163
New business, amount.....	£256,960	£302,189		£163,345
Expenses to premiums.....	14.64	4.50		7.27
Expenses to new premiums*.....	103.06	34.00		57.80
Expenses to renewal premiums*.....	10.31	3.40		5.78
Business existing	£8,200,363	£10,290,967		£5,187,080

* Calculated on the assumption that new business expenses are ten times those of renewal expenses.

† The expenses of the Equitable are exceptionally high, owing to the large payments by way of pensions to retired officers.

Now let us give similar figures relating to offices that pay commissions, as follows:

	COMMISSION PAYING OFFICES.		
	Prudential, Ordinary Branch.	Norwich Union.	Scottish Widows.
New policies, number.....	75,293	4,410	2,691
New assurance, amount.....	£7,211,427	£3,515,612	£1,434,630
Expenses to premiums.....	8.65	15.55	9.82
Expenses to new business.....	46.46	50.67	64.53
Expenses to renewal business.....	4.65	5.07	6.46
Business existing	£85,944,245	£15,444,209	£35,231,378

As might have been expected, the commission paying offices are able to complete a far greater amount of new business than the others, ranging from seven million odd pounds in the case of the Prudential to £480,000 in the case of the Northern (even this being more than fifty per cent better than the best non-commission office). When we compare the percentage of expenses to premiums we see, as might have been expected, a slight advantage with the more conservative institutions, but when the comparison is put upon a fairer basis, viz.: a division of expenses into new and renewal, the advantage vanishes and little or no difference is shown in this respect. When we come to compare the business in force, the great benefits conferred upon the community by the push and persuasive eloquence of the insurance agent are apparent. Had the Prudential or the Scottish Widows restricted their operations in the same manner as the Equitable or the Metropolitan, thousands of people who are now the holders of good bonus-paying policies would be altogether without protection in the

event of death. From the nature of the case we may assume that the vast majority, if not all, of the policyholders in the old non-commission paying offices belong to the wealthy classes, to whom life assurance is important and useful, but not necessary. The policyholders of the Prudential, on the other hand, are drawn from a class to whom very often the life policy is the only protection from destitution on the death of the breadwinner. The economic value to the State of such an institution as this can hardly be over-estimated. The A. M. P. Society is now busy pushing business on the same lines as the Prudential of England, while the Citizens Life has, for nearly twenty years, actively and successfully transacted industrial business in Australia. The good work done by such institutions can only be appreciated by those whose callings take them amongst the poorer members of the community. World-wide experience shows that the assured must be sought out by the agent; very rarely does he bring himself to approach the office first. The future of life assurance belongs, without doubt, to the commission paying offices.

AGENTS SHOULD MEMORIZE PREMIUM RATES.

A young salesman for a wholesale firm dealing in food articles, after he had held his position but a few days, called upon a retail house, the purchaser for which, as he afterward learned, was one of the closest buyers in the city.

The young salesman presented his card and stated that his firm felt that they were not selling as many goods to the retail houses as they ought to, etc., and suggested the favor of an order for a certain line of goods.

The salesman got out his printed price list, ran his finger down the column until he came to the item named and quoted it.

The buyer made no comment but asked for a quotation on another line.

The salesman gave it in the same way, referring to the list.

The experienced buyer smiled and asked: "How long have you been with the E. T. C. Co.?"

"About a week," answered the salesman.

"Now," continued the buyer, "don't you think you ought to learn your story a little better before you undertake to sell to a house like this?"

The salesman admitted that he thought so.

This illustrates the importance of a man having his business "at his tongue's end," especially a salesman. The salesman who can quote prices off-hand has a strong advantage.

The life insurance agent will make a better impression on the average business man if he is able to quote rates with more or less fluency without referring to his rate book. It gives him an air of knowing his business, which is sure to impress the man of business thoroughly. The writer recently talked with one of the best life agents in the city relative to this point and he agreed that familiarity with quotations on the part of a life insurance agent was, in a way, quite as important as in the case of a commercial salesman. This agent is inclined to look upon the rate book as a text-book and a book of reference, and he believes that an agent should know his rate book, know it as a part of his story.

A BUSINESS ASSISTANT.

Not long ago a certain man died, and his widow wrote to the agent of a life insurance company who had insured her husband, and requested that she be paid the money on the policy as soon as possible, as her late husband's money was tied up in various ways, and she had very little ready cash.

This gave the agent an idea. He took this and several other cases carrying a strong moral, told them simply and briefly, and had them made into a little booklet, which he mails to prospects.

The agent says it is the best business assistant that he ever had.

Life insurance cannot be widely distributed, with safety, without agents. Without an agency organization, without a corps of selected physicians, any company would be a prey to designing men, and its career would, inevitably, be short.

BUILDING AN ESTATE SAFELY AND SURELY.

There are many men who are anxious to build up an estate, which is, of course, slow work by simple savings of money or by safe and conservative methods. They realize and admit the utility of life insurance as a means of creating an estate at once, which would require a lifetime of success to create by any other method; yet they are ambitious to get together a regular income-paying property, such as houses that pay a regular rental. This ambition is slow of realization, by ordinary means and methods of saving. People of moderate means, or people who are dependent upon moderate to good salaries, who have families to support, are not always able—generally they are not—to purchase an income policy or an annuity of sufficient size to satisfy their ambition, so they very often set out to acquire rent-paying property through real estate speculation, or through co-operative bank methods, which is all well enough, if they are successful, live to see their operations successfully carried out and no misfortune such as impaired health or other calamity overtakes them.

But how much better and safer it is to take out enough life insurance to insure leaving an adequate estate for the protection of dependents, thereby placing themselves in an absolutely safe position, giving peace of mind because the future is taken care of, then, with no distraction caused by worry or anxiety regarding the future, they can go ahead along other lines if they wish. That is a safe, sound and sure method of building up an estate.

LIFE INSURANCE AS GOOD AS GOVERNMENT BONDS.

When recently a great European power made a new issue of bonds, the securities were placed at a discount, that is, at a percentage below their par value, and that, too, with citizens of the country.

No policy of a great life insurance company of repute and good standing to-day is valued below its face value. It is not that kind of a security—first, because it is as safe and secure as a government bond, and second, because it pays better dividends than any government bond.

Not long ago a merchant applied to a bank for a large loan. The directors considered it. The merchant possessed a large and clean stock of goods, but there were things not satisfactory to the bank officers, who hesitated about allowing the loan. Then one of the officers mentioned that the merchant had a life insurance policy for a large sum, mentioning the figures, and on the strength of that he was given the loan.

This illustrates how a good life insurance policy is regarded by conservative financiers.

BEING MADE WISE.

Some "wise guys" were born so, and some have been "put wise" through no fault of their own. A certain huckster, calling himself a "merchant," got "struck" on himself enough to decide to take out a \$5000 policy. After he had "put up" the first premium there was a "purring" in his "cocoanut" which he recognized as a change of mind. As the "wheels" in his "nut" continued to turn in different directions, the resultant pulsations that would be called "thinking" in other people, caused him to decide that it would be so many years before he "turned his toes to the daisies" that he could make a better "fee" by putting the amount of the annual premiums in the savings bank. He opened correspondence with the insurance company, demanding the return of the first premium, for which he already had a receipt. While he was "chewing the rag" he was suddenly killed in an accident. His widow received \$5000.

We can only speculate as to what the "wise guy's" comments would be if he knew what the outcome was.

Men are more and more inclined to insure their lives of their own accord, as they more and more clearly understand that a life insurance company will carry the risk at a small expense ratio, at the same time affording a better investment than can be procured in any other way.

WHAT THE WORLD OWES A MAN.

Did you ever hear any one say that "the world owed him a living?"

A good many men, aware of their incapacity, conscious that they are not filling their positions very well, use this excuse for not trying to do better. They are satisfied to take their employer's money and give him a poor return. "The world owes them a living." What difference does it make whether they get it at the expense of some one else, who might reasonably object that the world owed him a living, too?

Four men were killed in a railroad disaster caused by an employee's negligence. He was asleep at the switch. Investigation into his case brought to light the fact that he had once been prosperous, but, having lost his money, had drifted from one job to another. As a switchman he was not interested in the work he had to do—he solaced himself for his come-down in the world by hard drinking, and this unfitted him for his duties. He knew it, but still made a pretense of performing them. The responsibility was nothing to him. He cared merely for the salary that went with the job. "The world owed him a living."

It is a mistake to suppose that the world owes any man anything in excess of an exact equivalent for the service he performs. To demand as much from others as one can get in exchange for as little as one can give is nothing short of beggary.

Develop your efficiency—excel in the selling game—"make good" at it, and the world will be quick enough and glad enough to cancel its debt to you.—Salesmanship.

UNWISE COMPETITION AMONG FIELD MEN.

President Charles W. Scovel of the National Association of Life Underwriters thus handles the bugaboo of competition among life men in a recent address, a portion of which is given below and will be an eye opener to many an agent who has the comparative exhibit habit:

Little by little the full, practical meaning of this became more and more clear to me, and I worked it out into a little line of canvass that has made thousands of dollars for my agents and me. It is not copyrighted; any of you may use it. A prospect asks me, "What about your company, Scovel?" I start with a few ordinary words—anything to get going, so as to break off abruptly with, "It's not the best company." I never fail to get a rise; the man will always look up puzzled, inquiringly. Then I ask him, "Will you kindly tell me the best bank in Pittsburgh?" A pause; then, "No, you can't. There isn't such a thing. If there were, it would take a commission sitting six months taking testimony to determine which it was; and when they did, you wouldn't take your account from the good bank across the street and put it in that best bank, would you?" "No, I wouldn't." "That is just how it is in life insurance. There is no absolutely best company; and it would make little practical difference if there were. For there are thirty or forty good life insurance companies, any one of them absolutely good for any contract its president will sign." And that is God's truth, boys!

With that little new talk, I got that man on the bedrock of confidence in the whole institution of life insurance. I was done with the company question, absolutely done with it. By the time that little two-minute talk was over, I was free to go on to try to insure the man. That is our business, to insure men's lives; not to lead them into the perplexities of company figures and comparisons. We create that artificial barrier ourselves, that idea that it is necessary to talk in terms of comparison. We have got it bred in our bone, it is in our very blood. Why, every time two or three insurance men get together, they talk among themselves in terms of comparison and competition about other companies. It is all wrong; it is a poison in our blood. It is a purely artificial and very foolish thing to raise within a man's mind questions that he never would have raised himself. If we as a class had not made a practice of raising these questions of comparison our "prospects" would never think of them. That is true in all lines of life. Men do not, cannot, seek out the "best." The question of what doctor, lawyer, bank or shop is the best, does not interest a man one particle as a rule. He deals with the man he can put confidence in; he buys the thing that is good of its kind, if it suits him. And he is right. * * * *

You see, while we were making much of the little points of difference between companies that we knew to be sound, all of them, that man's mind was still engaged with the first great question, the only company question he really cared much about: to make sure of choosing one where his money would be really safe, where the wife and bairns would be really protected. That was the question we muddled up in his mind. And so he did not put his money into life insurance at all. Where did he put it? Where does the people's money go? Look at the advertisements of speculative stocks, and bucket shops. Watch the blind pools, the gold bricks, all the schemes to get rich quick—to say nothing of the saloons and all the careless waste of this spendthrift nation. That's where the people's money goes. Those are the things that we are really putting in competition with life insurance, when we blindly think we are competing among ourselves.

Think of that, when we know so well, and ought to make everybody know, that the weakest old line life insurance company in honest hands is absolutely safe, resting on a scientific and legal foundation of a strength absolutely unequalled by any other human institution, even the best bank, trust company or savings bank. That is the fact. No other

institution whatever has anything like eighty-four per cent of its total assets scientifically calculated and set apart, forced by the law to be set apart at all times to protect all its future obligations. * * * * If a company is wholly on the legal reserve basis and honestly managed, it is mathematically impossible for it to fail. All such companies stand together on a table-rock of granite, towering above everything else in the business and financial world.

That is our gospel, boys. Never has its truth been so tried and tested and proven, as by the events of the past year. Never has there been such need for its preaching. It is just what the people need and want to hear, right now. And it covers all they really want of company talk. When we have laid that simple, sure foundation of confidence, a man is all ready to have us apply the gospel of life insurance to his individual needs. That mortgage, that new home, that partnership or business extension—insurance will protect it. That baby boy—a fifteen-year endowment will put him through college. That little daughter—a continuous instalment policy, left among father's papers with a letter, will bring her his birthday gift every year of her life. This is our true business, boys; to bring insurance right home to each man's case, to show him what it can do for him and his, to make him want it and want it now. That is the only way we can do him any service, and the only way we can earn any bread and butter for our own families. * * * *

But I dare to hope, brother agents, that this practical reform in soliciting may sweep through our ranks like wild-fire, in this great epoch of insurance reform. All insurance men have been led to search every corner for dust, to test anew every part of the structure and see if it be really stone and not painted wood. Past errors of management have been rooted out, and all companies are to-day, as never before, working to the same ideals. If there ever was any ground for company comparisons or jealousies, there is none now. We have lately been driven to make common cause against indiscriminate clamor; let us proudly make that common cause (which has always been our association principle anyhow) our own battle cry for the new era! Let us fight as soldiers in a great army, while each loyal to his own regiment. I would not give a fig for an agent who was not loyal to his own company. But what soldier would not jump to rescue the colors of another regiment? Our colors are all the same, boys. It is one flag we are all fighting under. Whatever our company, whatever our nationality, it is the old flag of true life insurance that waves above us all as we fight for our own families and for the families of all men we can insure.

HOW MUCH LIFE INSURANCE SHOULD A MAN CARRY?

How much life insurance should a man carry? We shall undertake to answer that question by assuming that the end sought is to provide for his family in the event of his death, rather than to accumulate something for his own use. Incidentally, the latter feature may be considered, but primarily, the purpose of life insurance is the protection of one's dependents. Adequate protection does not, however, require that the sum insured for should be sufficient to yield an income equal to that enjoyed by the policyholder himself while living. Certainly such income can be reduced by the amount of the insured's personal living expenses, now no longer required. Presumably, also, every man while living sets aside a part of his net income for the purpose of extending his business or to add to his permanent investments. That, too, may be deducted. The purpose of life insurance is to provide for the necessities of the family, not to enable them to lay up money. With a living provided, that they may do from their personal earnings.

Having determined the amount that will be required to maintain the remaining members of the family in the style of living to which they have been accustomed, it is nevertheless not necessary to insure for such gross sum as would yield an income of that amount; for in that case, after the income is no longer required, the principal sum would still remain unexpended. A policy providing for an income only may be written for a considerably smaller premium than one which calls for payment of a lump sum sufficient to yield such an income at current rates of interest. Your net income is, say, \$3000 a year. Of this amount, \$1600 is applied to family living expenses, the balance being laid away for a rainy day, or, more probably, expended for luxuries and pleasures not essential to health and comfort. Assume that your personal living expenses amount to \$400 a year; an income of \$1200 would then be sufficient to provide for the necessities of the remaining members of the family. Your age is, say thirty-five, that of your wife thirty. A twenty premium continuous instalment policy providing for an income of \$1200 a year will cost \$735.36 per annum for twenty years, less such reduction as may come from dividends. It is desirable to complete the payment of premiums before the infirmities of age impair the earning capacity of the insured; but a policy providing the same income with premiums payable during life, would cost only \$560.16 a year.

In the event of death, the widow is assured of an income of \$1200 per year so long as she lives. It is an income that will always be paid promptly when due—no delay in hard times, no risk of loss, no care or expense of investment—and should the beneficiary die within twenty years, the payments will be continued to her heirs or estate until full twenty instalments have been paid. That period is sufficient to complete the education of the children and to see the youngest child self-supporting.

This is the ideal policy. It simplifies the question as to how much insurance a man should carry in order to provide adequate protection for his family, and precludes the possibility of loss which has so often followed the leaving of a large sum of money to be invested by a woman without experience in business affairs. An assured income of even half the amount—\$600 a year—though not a princely sum, would serve to keep the wolf from the door; while persons of larger means may provide proportionately larger life incomes for their dependents.

A self-made man must have a poor opinion of the job if he neglects or refuses to insure it.—"Life Insurance Sayings."

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, September 27, 1906.

LIMITATION OF NEW BUSINESS BY NEW YORK LAW.

Among the limitations to be imposed upon life insurance companies operating in New York State after January 1 next, is that restricting the amount of new business to be written, counting only such policies as are actually paid for. In drafting the amendment to the insurance law in this particular an arbitrary limit was set which does not give sufficient scope for the producing power of the agency plants of the larger companies, and considerably oversteps the rate of production experienced by the medium sized and smaller companies. Of course it is not expected that companies will force their production in order to write as much business as the law permits, even if the limitation of expenses does not prevent them doing so, but the figures for last year, as worked out to illustrate the new provision, indicate that a limitation was not necessary except for the very large organizations, and in their cases a more suitable limit could have been established, based on the average production of, say, the past five years. As the law stands now the large companies must materially reduce their agency plants, and thereby waste a large amount of money which has been expended in bringing them up to the state of efficiency attained prior to the disturbances of last year.

The law provides that companies having fifty millions and less than one hundred millions of paid-for business in force on December 30, 1905, shall issue only paid-for business to the extent of thirty per cent of the total amount in force on that date; over one hundred millions and less than three hundred millions, twenty-five per cent; over three hundred millions and less than six hundred millions, twenty per cent; over six hundred millions and less than one billion, fifteen per cent, and over one billion not to exceed \$150,000,000 of new paid-for business. The original draft limited companies with less than fifty millions in force to fifty per cent thereof, but as passed the limitation on such companies was removed. However, in making up the accompanying table the fifty per cent limitation has been given in order to make the showing complete:

The table herewith shows the total amount of paid-for insurance in force at the beginning of 1905, the new business paid for during the year (exclusive of revivals, additions by dividends, changes, etc.), the amount in force at the end of the year, and the amount of new business which the law would permit to be written in 1906 had it gone into effect this year.

It will be noticed that only the three largest companies exceeded the limit in their transactions for 1905, while the great majority of the companies listed show far below the provisions of the law; in fact, ten organizations, embracing some best known in the life insurance field, can more than double their business before reaching the limit, and another ten can increase their paid-for issues by fifty per cent and over. Were all the companies to work up to the limit in 1906, the total new issues would exceed those of last year by over \$340,000,000, of which but \$182,000,000 represents the excess of 1905, due to the transactions of the three big New York companies. Several years will doubtless elapse before a majority of the companies here listed will find the limitation statute operative and, consequently, there

PAID-FOR BUSINESS UNDER NEW YORK LIMITATION LAW.

COMPANIES.	In Force Jan. 1, 1905.	Written in 1905.	In Force Jan. 1, 1906.	Limit of New Business, 1906.
	\$	\$	\$	\$
Aetna Life	237,304,739	30,064,641	250,858,315	62,714,579
Berkshire	62,012,522	4,970,000	63,201,165	19,170,350
Connecticut General	26,044,307	6,070,361	30,224,431	15,112,215
Connecticut Mutual	166,417,515	11,774,515	169,412,783	42,353,196
Equitable of New York	1,460,312,089	157,441,120	1,449,440,390	150,000,000
Fidelity Mutual	109,146,658	20,296,559	114,888,201	28,722,050
Germania	103,937,343	14,286,096	109,127,609	27,281,902
Hartford Life	23,849,353	3,630,189	18,981,951	9,465,976
Home Life	74,892,289	12,145,369	79,775,340	23,932,602
John Hancock	119,387,046	38,433,675	146,491,588	73,245,794
Massachusetts Mutual ..	150,096,256	23,256,567	192,362,811	48,099,703
Metropolitan	330,609,826	96,911,641	377,578,487	150,000,000
Mutual Benefit	354,869,668	52,042,658	383,113,552	76,622,670
Mutual, New York	1,547,611,660	179,881,758	1,589,549,468	150,000,000
National of Vermont ...	131,601,647	22,324,718	142,049,978	35,512,494
New England	153,928,148	20,967,436	164,728,147	41,182,037
New York Life	1,928,609,308	296,232,520	2,061,593,886	150,000,000
Northwestern Mutual ...	708,552,287	90,892,232	764,266,187	114,639,928
Penn Mutual	332,016,287	61,257,211	366,870,020	73,374,004
Phoenix Mutual	80,494,884	14,001,220	87,813,040	26,343,912
Provident L. and T.	163,896,726	19,423,406	174,008,323	43,502,081
Provident Savings	94,456,845	21,143,508	96,768,367	29,030,510
Prudential	380,740,769	93,772,877	431,777,561	150,000,000
Reliance	4,218,274	4,244,000	7,201,940	3,600,920
Security Mutual	47,044,657	13,229,252	51,010,771	15,303,231
State Mutual	105,161,408	15,616,072	113,159,331	28,289,833
Travelers	145,077,512	20,681,351	155,286,469	38,821,617
Union Central	209,413,293	34,117,715	228,114,041	57,028,510
Union Mutual	60,598,837	9,643,948	64,163,248	19,248,974
United States	41,218,725	3,652,204	39,452,099	19,726,049
Washington	67,488,150	6,759,538	63,255,371	18,976,611
Totals	9,451,009,028	1,399,164,357	9,987,174,870	1,741,292,748

is little fear of a person being unable to get all the life insurance he can afford to carry.

As in most of the insurance legislation passed last winter there are inconsistencies in this section which should be remedied. For example, a company with one dollar less than one hundred millions in force can write in the next year thirty millions of new business, if it has one dollar more than one hundred millions it can write but twenty-five millions, the same condition arising at each change of the schedule. A provision providing that the amount written in any year need not be less than that of the previous twelve months would not only be rational but would permit of a proper and consistent development of the agency plant. As it is, an automatic barrier interposes itself every once in a while to check the proportionate growth of the company, thereby preventing the policyholders from obtaining the full value of their investments in the agency plants.

An exception is made in the law with regard to industrial companies which, for the present at least, distinctly favors three of them in their issuance of new ordinary business. These companies are allowed to issue new business up to fifty per cent of the ordinary business in force at the beginning of the year, but not to exceed \$150,000,000. There seems to be no reason why their ordinary business should not have been put on the same plane as companies transacting that class of business alone, and it could easily have been done by merely excluding industrial policies from the operations of the

section. On the basis set for other companies the three companies in question would for this year be limited to \$198,494,106, whereas the law permits them to write \$373,245,794, an advantage of more than \$174,000,000, as compared with organizations not transacting industrial insurance.

As has been seen the law will not affect many organizations for several years, but it will be carefully watched in connection with the effect on the growth of the companies. The time is rapidly approaching when the natural terminations by death, maturity and expiring of term contracts (the latter issued originally as such) will absorb most of the addition by new business, and it is thought by many that this factor should have been taken into account in imposing a limitation, so that sufficient new business could have been written to cover the natural terminations in addition to the percentage on the old business.

LARGE PAYMENTS ON LIFE POLICIES.

In the past year and a half there have been the usual number of striking evidences of the value of large life insurances in the numerous deaths, some tragic, reported among the country's large policyholders. The value of this insurance to the families and to the business interests of those by whom it was carried is, of course, inestimable. The many large payments illustrate forcibly the absolute solvency of the companies. Among the comparatively recent large claims is that of Pen-dennis White of Buffalo for \$75,000, who was killed in an automobile accident. E. H. Darrow of Sioux Falls, S. D., held \$50,000, and he and his daughter were found dead in a carriage; the circumstances strongly pointing to a double tragedy. Robert H. Clifford, a wealthy commission merchant of St. Louis, was killed by falling on a knife. His family will receive \$50,000. D. E. Murphy of Milwaukee, after a brief illness, died, leaving \$150,000 insurance. Charles L. Spier of Chicago, an embezzler of large sums, suicided, leaving \$100,000 insurance. Frank D. Callan, a Chicago real estate man, becoming involved in financial difficulties and threatened with imprisonment, killed himself, and his estate will receive about \$200,000. Franklin W. Koch of Allentown, Pa., killed in an English railway wreck, carried \$81,650 in the Equitable. Alfred Beit, the English diamond king, had \$100,000 in the Equitable. Jacob Kaufman of Pittsburg left a policy in the New York Life which brought his estate \$115,967. Stanford White, the noted architect of New York, who was shot by Harry K. Thaw, had \$200,000 in the Equitable and a large amount in other companies. Spaulding Coleman of Louisville died suddenly, leaving insurance policies aggregating \$125,000, and O. McHenry's estate was paid \$108,039 by the Northwestern Mutual Life. The late Willard B. Mack of New York held a policy in the Equitable which yielded \$126,000. Oliver Williams, late general agent of the Northwestern Mutual, carried \$151,000. Fred. A. Reynolds of Canyon City \$150,000, and Robert Brannen, who died very suddenly in Denver, \$55,000. Charles A. Edwards of New York, who is thought to have committed suicide in New Haven, carried \$32,000. Leland W. Pryor of Euclid Heights, Ohio, held \$70,000 in the New York Life, and John B. Stetson of Philadelphia died leaving policies aggregating \$700,000. Walter P. Douglass of Philadelphia had \$88,000 in the Equitable when he died, and the estate of O. W. Beatty of Warren, Pa., received \$58,200 from the Mutual Life. John A. McCall, former president of the New York Life, was insured for \$500,000, but he sold his policies to obtain funds with which to pay claims made against him. William Helsinger of St. Paul, Minn., carried \$59,400. J. C. Devlin of Topeka, who figured in the sensational failure of the First National Bank, was heavily insured, the New York Life paying \$157,000, the Mutual Life \$283,000, and the Mutual Benefit \$25,000 to the bank's receiver. A. J. Pitkin, president of the American Locomotive Company, left \$60,000 insurance. T. Lee Clark, cashier of the Enterprise National Bank of Allegheny, Pa., committed suicide as a result of disclosures made of the bank's affairs. He carried about \$76,000. Walter B. Saunders of Philadelphia left a policy for \$105,000 in the Mutual Life. The New York Life paid \$100,000 on the policies of Jacob Litt of New York, and the Equitable paid \$50,000 on the policy of Isaiah Josephi of New York. O. F. Woodward of Le Roy, N. Y., carried \$300,000 at the time of his death. John R. Young of Savannah, Ga., \$50,000. John

Hartzell of Monmouth, Ill., who shot himself, had about \$73,000; Benjamin F. Clyde of Philadelphia, \$100,000; John E. Lancaster of Worcester, Mass., \$50,000; John I. Sabin of Portland, Ore., \$50,000; John Byrne of New York, \$50,000; William S. Pyle of New York, \$100,000 in the Equitable and \$105,000 in other companies. The Equitable also paid \$100,000 to the heirs of the late Jacob Kaufman of Philadelphia, who had \$500,000 insurance.

Other reported payments of over \$50,000 are:

Charles T. Hearin, Mobile, Ala.....	\$164,000
James I. Raymond, Stamford, Conn.....	67,000
Wm. H. Venable, Atlanta, Ga.....	75,000
Geo. P. Braun, Chicago, Ill.....	92,000
Martin Kingman, Peoria, Ill.....	150,000
Robert W. Rogers, New Orleans, La.....	62,000
Joseph Moore, St. Joseph, La.....	64,500
Francis A. Goodhue, Andover, Mass.....	65,000
Charles E. Sanborn, Boston, Mass.....	67,000
Jonas S. Barnet, Brookline, Mass.....	75,000
Joseph W. Green, Easthampton, Mass.....	66,000
John E. Lancaster, Worcester, Mass.....	50,000
Francis F. Palms, Detroit, Mich.....	183,000
Wm. H. Elsinger, St. Paul, Minn.....	94,000
Virrazano Simpson, Winona, Minn.....	50,000
Wm. B. Clark, Kansas City, Mo.....	75,000
John L. Boland, St. Louis, Mo.....	105,000
James Richardson, St. Louis, Mo.....	65,000
Frank Dowst, Manchester, N. H.....	50,000
L. Spencer Goble, Newark, N. J.....	51,500
Charles A. Lighthipe, Orange, N. J.....	50,500
Stephen A. Ginna, Plainfield, N. J.....	51,700
Charles E. Dingee, Brooklyn, N. Y.....	50,000
John Gibb, Brooklyn, N. Y.....	59,000
S. Turuer, Brooklyn, N. Y.....	54,000
Pascal P. Pratt, Brooklyn, N. Y.....	51,000
W. Caspary, Central Valley, N. Y.....	140,000
Wm. F. Potter, Flushing, N. Y.....	55,000
Wm. H. Baldwin, Jr., Locust Valley, N. Y.....	79,000
John R. Bennett, New York.....	120,000
Alex Blumensteil, New York.....	51,000
F. H. Cooper, New York.....	155,000
Howard Gibb, New York.....	200,000
F. Norton Goddard, New York.....	54,000
Wm. H. Hurlbut, New York.....	54,500
Jacob Litt, New York.....	130,000
Moses S. Mork, New York.....	60,000
Charles A. Otis, New York.....	139,600
Samuel S. Shubert, New York.....	55,000
Wm. H. Taylor, New York.....	184,500
Wm. Vogel, New York.....	91,000
Alan W. Wood, New York.....	65,000
Wm. H. Parsons, Rye, N. Y.....	60,000
James D. Moore, Gastonia, N. C.....	65,000
Gottlieb Muhlhauser, Cincinnati, Ohio.....	80,000
John Hay, Cincinnati, Ohio.....	82,000
Charles H. Wellman, Cincinnati, Ohio.....	58,000
Moses Atwood, Allegheny, Pa.....	53,000
Richard Rosmausler, Germantown, Pa.....	50,000
Benj. F. Clyde, Philadelphia, Pa.....	110,000
J. C. McLanahan, Philadelphia, Pa.....	50,000
Wm. H. Wanamaker, Philadelphia, Pa.....	61,000
Wm. C. Jutte, Philadelphia, Pa.....	230,000
Artemus Pitcairn, Philadelphia, Pa.....	77,000
Peter L. Kimberly, Sharon, Pa.....	100,000
Chas. S. McCall, Bennettsville, S. C.....	65,000
James L. Orr, Greenville, S. C.....	61,000
James Lee, Memphis, Tenn.....	93,000
Samuel Furber, Norfolk, Va.....	55,000

A man gets something out of life insurance besides the protection afforded his beneficiary or estate, for it is a fact that the public estimate of a man rises as it becomes known that he is increasing his line of insurance. A man who is known to be heavily insured becomes almost a celebrity and is always looked upon as a man of substance. It is apparent, then, that insurance not only adds to the peace of the insured's mind, but also increases public respect for him.

THE "CORPORATE AGENCY."

BY A WESTERN AGENT.

In the West the "corporate agency plan," as it has been called, has been having a bad quarter of an hour. I need not make a more definite statement than this, as I do not care to take any part in a controversy or to specify my place of residence. It would seem that the promoters of a particular agency company which I have in mind as I write, were rather unskillful in launching it, and they, unfortunately, got a number of antagonistic interests together which they could not harmonize. The disagreements of the various stockholders and directors have been made public, and like the dissensions which occurred in an Eastern company not long since, they have tended to throw discredit upon the whole "corporate agency plan." A number of Western companies are now operating by this method, and others are preparing to adopt it if the public can be pacified. Something that will quiet the fears of the public is most earnestly desired, and as I have some reputation as a writer on insurance matters, I have been asked to say a few words about the new method of underwriting.

However impatient I may become in oral argument or conversation, and however unjust I may be when I lose my temper, when I write I aim to do justice to all sides of a question. Impartiality is my standard in writing, and whatever my feelings may be about a thing, I always attempt to give it a fair and liberal treatment.

I shall, therefore, try to write about the corporate agency plan just as if I were an outsider, and I hope to do justice to all sides of the subject.

In the first place, the public distrust which has been aroused, at least in my part of the country, has no unusual or rational basis. It is not produced by the mere spectacle of wrangling directors and stockholders, but is due to what William James, the head of the department of philosophy at Harvard University, calls the "aboriginal human neophobia." He means by this word, which he coined himself, fear of something new. Human beings are always afraid of something new, something that they do not understand or are not familiar with. A hundred philosophical reasons may be involved in the explanation of this, but it is sufficient now to refer to it as a fact. They are simply afraid of something new, and their fear is as vague and unreasonable as the fears of the victim of hysteria. When the hysterical patient is attacked he feels as if he were going to die, dissolve or break to pieces, and he probably cannot localize a single pain in his body or give any cause for his distress. Likewise with the public when it gets into a panic about anything new. It is simply panicky, and that is the most intelligent explanation that we can give of the phenomenon. An example of neophobia at work occurred when the dissensions in an Eastern company began. For twenty-five years, at least, the agents of the smaller American life insurance companies had been assuring the public that some Eastern companies were lacking in economy, and they made numerous and specific charges, but the public was unmoved. One morning a list of large salaries appeared in the newspapers, and this with a few other itemized extravagances was sufficient to set the public by the ears. They did not really hear anything new, but for the first time they believed it and then it became new. Result, neophobia.

The "agency company" is not very old in our part of the country. I suppose that it is less than a year old, but if my information is correct the plan has been used in connection with life insurance for several years, and it is an old device among commercial enterprises. In itself it is not new, but it was thrust upon our Western public in such a way as to startle it and give it an attack of neophobia. As a mere spectator this is the impression which the public mistrust of the "corporate agency plan" makes upon me.

I shall now consider some other aspects of the "agency company," and I may sometimes deal with an ideal company and sometimes with what is supposed to be the real company. Ideally, an agency company would simply be a large, capitalized and incorporated general agency. Instead of having fifty or one hundred general agencies scattered over the United States, a life insurance company operating under the new plan would have a single general agency entirely divorced from the insurance company itself. The insurance company, instead of managing its own agency department, would turn the whole

matter over to an agency company and give its attention to what might be called, though not strictly, the actuarial branch of life insurance.

In my home city one of the largest Western newspapers does not manage its circulation directly at all. If I have been correctly informed, it puts the entire circulation into the hands of a general agent, compensates him by a commission, and he employs his own solicitors, carriers and collectors. If this general agent capitalized and incorporated his agency he would do on a smaller scale just what the ideal agency company would do if it took entire charge of the field work for a life insurance company.

That there is real merit in such an ideal agency company as I have outlined I am prepared to insist, and some arguments occur to me which have grown out of my own observation and experience. In our part of the country we take notes for a large per cent of first premiums. Someone has estimated that we obtain cash first premiums on not more than twenty-five per cent of the business that we write, and one of the most successful managers that I know has assured me that eighty per cent of his first year's business is paid for in notes. Suppose that I begin soliciting life insurance as an ordinary solicitor and without any capital. During the first year I shall probably not earn enough in commissions to pay my necessary expenses. I shall have to ask the grocer and other merchants to trust me, and will be in debt at the end of the year. In the sixteen years that I have been in the life insurance business not one solicitor in our agency has failed to go through this routine. Being in debt for necessities, I must call upon the general agent to carry my notes. Suppose that he has no capital? How can he properly organize his field?

When the general agent with whom I have been associated took charge of his field sixteen years ago he not only had no capital but was in debt. He was a splendid personal writer, however, and the superintendent of agencies of our company gave him a special warning against trying to organize his field until he had created a fund by his own work. Nevertheless, the general agent did yield to his desire to organize his field and borrowed money for that purpose. For nearly eight years he was heavily in debt, and during the panic of 1893 he was on the very edge of ruin. I may state confidently that if he had died in the tenth year of his agency life insurance would not have been a profitable venture for him. And yet he was unusually successful, both as an organizer and as a personal writer. At the end of sixteen years, of course, he has money accumulated, and is not in any way hampered in developing his field, but when I reflect upon the hardships of his first eight years I can readily see the advantages of a capitalized agency company. The general agent's experience has been undergone thousands of times since life insurance first began, and with plenty of money and a strong central organization ready to instruct, finance and direct the ordinary field men, I can perceive that many if not all of the hardships of underwriting would be obviated.

The agency company is simply a new application of the department store idea. It is centralization once more. As an application of the centralization principle it is probably open to the objection that it will tend to crush individual ambition and opportunity, but it is yet to be seen whether it creates more evils than it destroys.

So much for the favorable side of the "corporate agency plan." It is charged by the wranglers in the real company that rebates, extravagant estimates on stock returns, variable prices for stock, and jobs for enriching the promoters have all figured in the promotion of the company and tended to bring on the controversy. With these charges I have simply nothing to do. Dishonesty and trickery are always repugnant to human nature, and are always condemned in any connection, but whatever the truth may be, unscrupulous or unskillful men do not disprove a principle. Dishonest bankers may destroy public confidence and so injure the business, but they cannot make banking principles inoperative. If any particular Western agency company has been badly promoted or mismanaged, it is bad for the company, but it does not prove that such a company properly managed would be an evil.

However much a man may try to hide his identity by writing in the third person, he usually expresses his personal feelings or opinions. He may be retailing general facts, of course, and so escape the personal interest, but an insurance solicitor could hardly write about an "agency company" without having a personal feeling or opinion,

and I will now touch upon the personal element which appeals to me in this subject. It seems to me that the life insurance companies in our part of the country which have adopted the new agency plan are afflicted with the malady which brought trouble upon some of the Eastern companies. They have a mania for success, for size, perhaps for quick wealth. Most of them have sold some kind of special contract at some time, and the new plan makes it possible to continue the bargain counter policies. In fact, it appears to me, although I may be prejudiced and biased in my judgment, that the Western "agency companies" were organized principally for the more convenient management of the "bargains." This accusation has been admitted by some of the agents with whom I am acquainted, and our Western public lays most stress upon this fact in their criticisms. Whether this is true or not I will not positively assert, but when these companies have so long practiced the bargain method of selling life insurance, it is not unfair to suspect them of desiring to perpetuate it.

Now, one word as to special, service and all kinds of bargain contracts. There is not the shadow of a doubt that they make the selling of life insurance easier. They are so common now that I would have the feeling that they ought to be a kind of drug on the market, but unquestionably they have done much to make Western companies. Being a competitor, and feeling somewhat handicapped by anything that might give my competitor an advantage, it is natural that I should look askance at special contract companies, but as attesting my wish to be liberal I can say this: In my home city is a young man who made a good record as a solicitor. He started a life insurance company and secured successful capitalists to guarantee it. He disdained special contracts and inducements of every kind, and he selected the most conservative companies in the United States as models for his practices. If one man can do this why cannot all men do it? If men cannot adopt conservative practices and work patiently for results, why should they be permitted to deal with trust funds and try all kinds of risky schemes in a feverish anxiety to get rich or prosperous or large in the twinkling of an eye? It seems to me that this is dealing with the question on its merits. An agency company can undoubtedly distribute bargains with facility, but to command permanent public approval it seems to me that it should try to do without them.

CASH PROTECTS ESTATES.

A certain man, well known in his section of the country and very wealthy, died recently, and it was found necessary to sell a large block of very valuable real estate, and, of course, at a sacrifice (it being a forced sale), in order to take care of, or "carry," certain investments which required a large amount of cash. This was necessary in order to safeguard the estate.

Such a situation, and such a sacrifice, might have been rendered unnecessary through the medium of life insurance. Many wealthy men of large affairs to-day are taking such precaution.

Many merchants, whose money is, from necessity, very largely tied up in their business, are taking large lines of life insurance for the protection of their heirs and their estates.

The writer is personally acquainted with one prominent merchant, who is not classed as one of the very wealthy men, who is reputed to have \$600,000 of life insurance. Knowing the man, the writer has no doubt but that this amount is approximately correct.

Not long ago a certain life agent was told by a former client that he, the client, did not require further insurance, as he possessed sufficient property to safely provide for his dependents. The agent mentioned the case referred to in this sketch, and sold the man more insurance on the strength of it.

People to whom one is trying to sell something are always suspicious, and too much insistence cannot be laid upon conducting a canvass so there shall be no come-back from the one solicited. It follows that it is not enough to be merely sincere in one's statements. One must be absolutely correct. Scripture has it that we should avoid even the appearance of evil, and the life insurance salesman's canvass should, like Cæsar's wife, be above reproach.

LOOKING FOR BEST COMPANY.

"At one time," said a well-known life agent to the writer, "I visited a prospect in N——, and stayed with him until 11 o'clock in the evening, competing with three or four other life companies for the man's application. It seemed to me that in the three or four hours that I passed with him that I told him everything I knew, not only about insurance but about other topics as well. He refused to close the matter then, but agreed to see me later at the office.

"According to his promise he came one day, but he had in his hand statements from three or four additional companies. I groaned inwardly, and said: 'Must I go through all that rigmarole again?'

"He greeted me with these words: 'Mr. D——, why does each agent succeed in making me believe that his company is the best?'

"In order to save myself a repetition of the struggle with new estimates and specifications, an inspiration struck me, and I replied: 'Mr. T——, are you looking for the best company?'

"Somewhat surprised, he answered: 'Why of course,' to which I added: 'Well, I have been studying it carefully and have looked faithfully into the merits of this business for a number of years. The more I learn of it the less I am inclined to say positively that any one company is, positively, better than the other companies, taking all points into consideration. I do not believe that you can ascertain, from your own knowledge, which is the best company. Experts themselves differ upon this question. Do you think that I have presented to you a good company?'

"To which he answered: 'Of course.'

"Well, then take your insurance here, and get about your business, and you will be better off and make more money thereby than you would undertaking to learn my business.

"The prospect laughed and said: 'I guess you are right. Can I see the doctor now?'

"He passed a good examination, and paid an annual premium before he left the office. The moral is self-evident."

SAVINGS BANK VS. LIFE INSURANCE.

At a legislative committee hearing a few days ago an officer of a prominent trust company, in Boston, advocated levying a tax on savings bank deposits in Massachusetts.

Of course, the colored gentleman in this particular wood pile is to turn savings from banks to trust companies, which are merely private business enterprises and not governed by the same restrictions as savings banks. Trust companies which pay interest on small deposits are looking for just such game.

Aside from the fact that life insurance is a better paying investment than a savings bank deposit, public sentiment will never permit individual life insurance policies to be taxed.

The savings against old age or the change in conditions caused by death should not be taxed, and public opinion holds life insurance as sacred.

This is a sound and conclusive argument in favor of investing in life insurance, for, while it may not, in all cases, be any more secure than money deposited in Massachusetts savings banks, it pays better returns for the money invested, and a small amount—a mere "nest-egg"—in a savings bank is capable of creating an estate of many thousands of dollars. As to a trust company there is no comparison.

THE OBJECT OF LIFE INSURANCE WELL EXPRESSED.

The present system of life insurance is the result of an evolutionary process which has been going on for about 250 years. Its primary object was well expressed in a petition to the English Secretary of State, for a charter for a new company, one of the earliest, in 1757, as follows: "The great number of His Majesty's subjects, whose subsistence principally depends on the salaries, stipends and other income payable to them during their natural lives, or on the profits arising from their several trades, occupations, labor and industry, are very desirous of entering into a society for insuring the lives of each other, in order to extend after their decease the benefit of their present incomes to their families and relations, who may otherwise be reduced to extreme poverty and distress by the premature death of their several husbands, fathers and friends, which humane intention the petitioners humbly apprehend cannot be effectually carried into execution without His Majesty's royal authority to incorporate them for that purpose."—New England Magazine.

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New York, Thursday, October 11, 1906.

THE ETHICS OF SOLICITING.

By A WESTERN AGENT.

Almost anything may be viewed from different points, and when I write an article I find it most congenial to note opposing opinions and how they may have arisen. A kind of code for the regulation of soliciting is gradually being formed, and this I wish to consider for a while under the head of "The Ethics of Soliciting."

The dictionary declares that "ethics" is the science of human duty, or the body of rules which is drawn from this science. The word is simply the more scientific and general term for "morals." Just as a law is not really a law until it has been passed by the legislature or congress and recorded in print, so a moral or ethical rule is not such until it is more or less generally accepted. The ethics or morals are always in a state of change, new rules striving for acceptance and old rules losing caste. There is nothing absolutely fixed or ironclad about ethics, and for this reason we are all prone to regard a thing as moral or immoral according as it is agreeable or disagreeable to our personal feelings. For example: I don't care for dancing. It has never appealed to me in the least, and it would be only natural for me to look upon it as wrong or as having something immoral in it. I do not actually view it in this way, but, to use the mildest language at my command, dancing does not seem to me as the highest form of activity in which human beings can engage. Because I do not indulge in it myself I should always be compelled to give it a qualified endorsement. Take, now, something that I positively dislike, such as watermelon. It disgusts me to see others gorging themselves on it, and while I cannot justly class such an act as immoral, I am inclined to look upon it as unhealthy, and to reach the conclusion by a circuitous process that whatever is unhealthy is immoral. As a matter of fact I know that a great many people can eat watermelon without injury to their health, but my dislike for the vegetable causes me to have the feelings which I have described.

Again, a thing which I cannot do is likely to seem immoral. I would thoroughly enjoy using tobacco, but my constitution will not tolerate it. I did use it once, and to recover my health was compelled to give it up. Now, the use of the weed seems nonsensical to me, to say the least, and I can hardly look upon chewing or smoking as being altogether right. If I did not make it almost a religion to be liberal minded, I should probably inveigh against the use of tobacco as immoral, simply because I would like to use it but cannot.

Out in our part of the country we find great fault with the person who takes the end seat on the open street car and refuses to move. We have attempted to crush him with the classification of "end-seat hog." Some broader minded person has cooled our indignation a trifle by suggesting that "the end-seat hog is the person who has the seat which you want." We are likely to ridicule, abuse and condemn as wrong that which works a disadvantage to ourselves. I have lost a number of applications because my company will not issue an incontestable policy. Therefore, I am disposed to condemn such a policy as putting a premium upon fraud, suicide, misrepresentation and other immoral practices. The features in my competitors' contracts which lose me the most applications and cause me the greatest annoyance are

those which seem to me to be morally the most reprehensible. I might say here that no practice was ever prohibited by the moral or civil code which injured no one. And whenever a thing begins to tread upon everybody's toes then it is declared a nuisance and quickly suppressed. When it injures everybody then it becomes immoral.

A representative of our company once found himself in a position in which everybody could out-rebate him. He was surrounded by numerous home offices, and the brokers, "pluggers" and rebaters could easily give a larger discount than he. He had no resource but to take up a high moral ground and denounce these practices. He strengthened his organization, put his own agents under strict prohibition and attacked rebating and "plugging" fiercely. He gradually developed his method until now he will employ only those who give their attention exclusively to life insurance, will not accept brokerage business, and will discharge his best agent for rebating. Not only has his plan been a great business success, but he has succeeded in having his own personal "ethics" adopted by our company, and each agent must now sign a contract to refrain from what are coming to be regarded as the vices of soliciting. It seems to me only a question of time until all companies will adopt this code of "ethics." Thus it will appear that one main injury caused him to take a moral stand, and the influence of his example has gradually spread until now certain practices in soliciting are almost universally in disgrace, and doubtless will ultimately be prohibited by legislative enactment.

There seems to be in human nature a deeply rooted instinct for fair play. It may be inherent or it may have been "evolved," as the evolutionists say. Be this as it may, we have a contempt for a man who will undertake anything that is out of proportion to his strength. During the opening days of the Russo-Japanese war we applauded the victories of the Japs with frantic enthusiasm, simply because Russia is territorially great and Japan is small. When I was a boy at school, the big bully who attacked a little fellow was hissed off the playground. He was unanimously commanded to "pick upon someone his size." In races, athletic contests and games of all kinds care is taken to get the contestants into the proper class. No one would pay five cents to see a race between a two-minute and a three-minute horse. The "ethical" objection to rebating, comparing, twisting, etc., involves just this point of fair play. It is not rebating, twisting or comparing in the abstract that we complain of, but successful rebating, successful comparing and successful twisting. To be successful in these practices a man must have advantages in the way of better company, higher commissions, superior management, larger dividends or special contracts. It is obvious that these advantages fall to the comparatively few, and the masses of the agents, like all other masses, must work under a handicap. A company fifty years old, with a record for splendid management, high dividends and liberal contracts is in an almost unassailable position. Its agents can rebate, twist, compare or make any kind of a concession without fear of successful retaliation. They can even call morality to their aid and defend themselves on the ground of their better and cheaper service to humanity. All of which is legitimate if it is legitimate to do that which is simply not

illegal, but it is not ethical. It is not in accordance with the universal spirit of fair play, for it hampers the agents of weaker and less successful companies. It is "picking upon" those who are not of the proper size, and some day the weaker masses will find a way to equalize these disadvantages. I can say this all the more cheerfully because my company takes full advantage of its long and successful career, and does not hesitate to emphasize its superior virtues in a case of competition.

These practices are also injurious to the general public. The millions who carry policies ranging from \$100 to \$500 never get rebates. Perhaps even the \$1000 policyholders seldom receive a discount. A selected number with wealth, position or influence, are awarded the special contracts. It is the man who has that receives, and it is not the man who is most in need of it who gets the reduction in premiums. The general public is growing tired of paying full price for insurance while the selected few receive the discounts and the special dividends, and it is expressing its dissatisfaction in the form of laws against rebating and other forms of discrimination. It will probably continue to express its feeling in this way until the "ethics" have become laws.

I have spoken of rebating, twisting, comparing, "plugging," concessions, and all that is implied by "unfair practices," as if they arouse the same quality of feeling in everyone. I do not intend any such broad implication, and I only group them together because they are alike in working injury either to a very respectable class of policyholders or to insurance solicitors. Even comparing is a device which not more than ten companies in a hundred can make any use of, and the other ninety will ultimately hiss it off the stage. Every man is not born equal, even in free America, but we have an intense desire to make him so, and our tendency is more and more to place restrictions upon strength and remove handicaps from weakness. It will be so in soliciting. The "ethics" will assert themselves just in proportion as strength crowds upon weakness, or as the few impose upon the many. The practice which is impartial both in its good and evil results will never be tabooed, and it is always in order for a solicitor to protest against that which places him at a disadvantage. By his voice and his own acts he must help to create the "ethics."

A BUSINESS ENTERPRISE.

Life insurance cannot be safely and successfully conducted along philanthropic lines. Although of altruistic conception, it was found that the security of a life policy depended upon its being based on business principles. If the business is not profitable, as a business enterprise, it cannot offer safety and security to the insured.

If there is no money on deposit in the bank the check is valueless, and if the drawer of the check has no resources from some substantial source, he can have no funds in the bank with which to redeem his checks. A Government note is good money because there is deposited in the United States Treasury exactly its equivalent, in silver or gold, for its redemption.

So it is that good life insurance, sound life insurance, is so because it is founded upon and maintained upon business principles, because the company is a profitable business enterprise.

DISPLEASED WITH ONESELF.

A man who is displeased with himself can never be happy. Self-respect—a consciousness that he is trying to do his best—is necessary first of all for a peaceful state of mind. Most frequently when we are cross and irritable in our relations with others, when we conscientiously analyze the cause, we find that we are out of patience with ourselves.

A man who neglects his family cannot retain his self-respect. If his conscience does not prick him when he neglects to provide for his family, so much the worse for him, it is a sign that he has degenerated morally.

Nine out of ten men, who say they do not believe in life insurance, if you ask them, are obliged to confess that they are doing practically nothing for the future support of their families in event of their death. They don't believe in life insurance, no, and they don't believe in much else that is good. With but few exceptions, men who are unselfishly working for their wives and children carry as much life insurance as they can afford.

PROSPERITY AND EXTRAVAGANCE.

Prolonged prosperity is likely to be accompanied by extravagance. The longer good times continue the dimmer grows, in human consciousness, the need of laying something aside for a rainy day. If this need be forgotten, prosperity defeats itself, and the manifestation of defeat is business depression.

A banker recently discussed from a financial and economic point of view the notorious extravagance of the American people—"the ominous cloud which hangs over our prosperity to-day." This extravagance is visible in all classes. People with a little money spend lavishly, and thereby unwittingly advance the cost of living. Confident of continuous success, the man of fairly comfortable means mortgages the future to pay for the present.

Bankers note with alarm the decreasing demand for good securities at small interest, like municipal bonds; the withdrawal of money from savings banks which pay small interest, and the increased demand for risky investments that pay five and six per cent. Security is sacrificed for income; money goes more and more into insecure and speculative enterprises. To-day lives at the expense of to-morrow, and sooner or later will come the morrow which will fail to meet the obligations put upon it.

All this may seem a very abstract discussion, far removed from most people who have no part in the large money dealings of the world. Yet it is the people of small means who suffer from extravagance; the rich usually ride the storm. Moreover, the danger and our responsibility for it come home when we remember that every dollar spent in foolish luxury and every dollar needlessly borrowed help to make inevitable the day of business depression.

The only secure precaution lies in caution and frugality—and the future can be rendered safe and secure through life insurance.

FRAUDULENT CLAIMS MUST BE CONTESTED.

"Before I insure," said a very positive man, one of the know-it-all kind, "I want to know that the company that I insure with don't contest claims."

"Now," replied the agent to whom he had made this very positive statement, "you don't believe in any such thing. You are too good a business man, and you have made a random and a very ill-considered statement."

"The fact is, when you come to think it over, that you would not insure in a company which would not contest, to the last ditch, a fraudulent claim; for you can see that it would be for your interest, a measure for your safety, for the company to contest a fraudulent claim, to resist payment of a policy which was obtained by false representations. How could a company, which permitted itself to be mulcted by unscrupulous persons, pay honest claims? Its ability to pay honest claims—your own, for example—is strengthened by its watchfulness over its funds. A company would soon go out of business if it did not scrutinize its claims. If the fraud was not discovered until after the death of the person perpetrating the swindle, there is no reason why the company should pay if it is found that the insurance was procured through a false and misleading application."

"You want to insure in an honest company, and it is an honest company which pays honest claims promptly—and no others; for thus it protects your interest by protecting its own, and gives you protection which it can guarantee."

LA FOURMI.

The consul of France, in one of the large American cities, tells the writer about a curious form of life insurance which was introduced some years ago in French manufacturing towns, under the name of La Fourmi (the ant). The peculiarity of this is that the longer a man lives the less he becomes entitled to. The payment of about a dollar a month assures the payment of \$1000 to the heirs of a man dying before the age of thirty-eight, the payment diminishing proportionately to \$510 at fifty-one. The idea seems to be that if a man dies young his children are likely to be in want; but when he is fifty they will be able to earn their own living.

THANKS TO THE HUSBAND.

A life agent relates the following:

"Last year, just before Christmas, I was working in a certain small town. A man in the neighborhood had, under great pressure, allowed me to write him a policy for \$2000. His wife had protested vigorously at the time, naming the many things that she needed more than life insurance.

"One day I heard that a man had been killed on the railroad, and although the accident made no particular impression on me at the time, I discovered during the day that the victim was the man I had insured. Immediately I hurried about and secured the proofs of death; sent them into the office, and requested that a draft of the policy be sent to me without delay. Less than a week after the funeral I went to the home of the widow with a draft of \$2000.

"She met me at the door with her baby in her arms. All about there were signs of deprivation, almost want.

"I did not reveal the purpose of my visit at once, and the woman talked tremulously about her husband.

"I found these in his overcoat pocket," she said, softly. She handed me a small rubber doll and a little package of nuts and candy.

"He bought these," she said, "for the baby's Christmas." Then she broke down in a torrent of grief.

"Your husband sends you this for your Christmas," I said, handing over the draft. I then explained that it was her insurance money.

"She thanked me. I said I was not entitled to thanks.

"She thanked the company. I insisted that the company was not entitled to thanks.

"Thank your husband," I said, "for this is his legacy of love to you and to his child."

STILL WRITING LARGE POLICIES.

During the last twelve months a number of good sized life policies have been reported placed in various parts of the country. Herman H. Kerekhoff of Los Angeles is now carrying \$50,000 in the Mutual Benefit. The Mutual Life reported the placing of a \$150,000 policy with Charles W. Bailey of Philadelphia; Mamilton Carhart of Detroit, \$200,000; Leigh H. French of New York, \$110,000; Leroy Springs of Lancaster, S. C., \$100,000; James R. Gray of Atlanta, \$100,000; Julius G. Shatten of St. Louis, \$100,000; Joseph Castleberg of Baltimore now carries \$300,000, most of which is in the Mutual Life, and H. T. Hendryx of Portland, Ore., \$100,000. U. S. Grant, Jr., and Robert John Hancock of San Francisco applied for \$200,000 and \$100,000, respectively, in the Equitable. Peter G. Thomson of Cincinnati took out \$300,000, which makes his total holdings \$450,000. The line was distributed between the following companies: The Union Central, \$50,000; the Phoenix Mutual, \$100,000; Mutual Benefit, \$50,000; Connecticut Mutual, \$50,000; Northwestern Mutual, \$50,000; Provident Life and Trust, \$50,000, while smaller policies were taken in the State Mutual, Massachusetts Mutual and Penn Mutual. The publishers of The Evening Georgian insured the life of its editor, Col. John Temple Graves, for \$75,000. Some large cases recently reported from Boston are: William M. Wood, who has increased his insurance to \$321,000, Albert Bernard \$180,000, James M. Pendergast \$150,000, William H. Harris \$100,000, William D. Baneroff increased his holdings to \$100,000, E. G. Kramer \$100,000, A. S. Covel \$100,000, Charles E. Hellier \$50,000, John A. Voodry \$50,000. Charles L. Henry of Indianapolis is now carrying \$100,000, and Clarence Hodson of Philadelphia advises us that his policies now aggregate \$53,000.

THE MAN WHO SUCCEEDS.

Look around among the men you know and observation will teach you that, in the great majority of cases, the man who wins in any vocation in life is the man who sticks to it. He may be a plodder, but if he is endowed with perseverance, he may surpass the versatile or brilliant man. It would be well if every life insurance man could get this thought firmly fixed in his mind. The life insurance man with a tenacious purpose succeeds because he puts thought and perseverance into his work. He couples his purpose to an idea, and having learned the virtue of patience and the worth of character, he becomes a leader and reaps a financial reward commensurate with his merit.

THE WIDOW, THE ORPHAN AND THE AGED.

It is the tendency of modern civilization to embody in institutions what in earlier times were set forth as individual duties. Thus we have orphan asylums, homes for the aged, societies for the improvement of the condition of the poor, public almshouses, and a great system of public education. Last, but not least, has been evolved the system of life insurance, by means of which men who are doomed to die prematurely may provide for their own widows and fatherless children, and men who are to reach old age may provide for their own declining years. These institutions are a great advance over former methods, because they organize the principles which were formerly in the air, and make systematic and definite the relief which was formerly sporadic and arbitrary. Moreover they bring public opinion to bear upon cases of need, and secure the co-operation of those who are charitably inclined. By means of life insurance men provide for their own dependents, and so prevent that loss of self-respect which too often comes with relief from other sources. They are able also to make much more abundant provision than it would be wise or possible to make as a matter of charity.

While life insurance depends for its moving cause upon the love men have for their dependents, and while it supersedes in great measure the charity which was formerly invoked in behalf of the widow and the fatherless, it is nevertheless founded upon business principles, and has all the definiteness, certainly and equity of the best business enterprises. Indeed, its principles are such as to place it beyond the hazards of ordinary business, and in a class by itself.

A mutual life insurance company operating on the regular plan may be likened to a great income-producing company for widows, orphans and aged persons. It is known approximately what the mortality will be in each year among men and women above the age of twenty. It is also known at what rate money will accumulate at interest. Knowing these things, and allowing an ample margin for expenses and contingencies, the life company is able to guarantee a certain lump sum to the widow at the death of her husband, or to children at the death of the father, or to persons of either sex when they reach a prescribed age. This lump sum may, if desired, be commuted into a fixed number of annual payments, or the annual payments may be made during the life of the beneficiary. The system is made safe by fixing a maximum cost which experience has shown will be more than sufficient, and it is made just and equitable by returning the difference between the assumed and the actual cost, after the latter has been ascertained.

Are there widows? Yes, a-plenty. The census of 1900 shows 13,845,963 married women in the United States, and 2,721,564 widows. Of all the women who have been married 16.4 per cent, or about one-sixth, are widows. The number of children under twenty years of age by the same census was 31,764,182. If the proportion of fatherless children to the whole number is the same as the proportion of widows to the whole number of women who have been married—there were 5,209,329 fatherless children under twenty years of age. Here are nearly eight millions of widows, and orphans of school age. If many of the widows are advanced in age and had no children dependent on them, they were less able to supply their own needs, and the children were dependent upon a less number of mothers. However the problem is looked at the argument for life insurance is very strong. What has been will be. There will be more women who will become widows every year, and more children who will become fatherless. They will need the protection which life insurance alone can give. They need it now—while their fathers are alive and well—while they can get insurance. That is the only time it is available.—The News-Letterette.

THE STANDARD FORM OF LIFE POLICY IN NEW YORK

In accordance with the requirement of the law the Superintendent of Insurance of New York, Otto Kelsey, on October 1, promulgated the standard forms of policies for life insurance companies of that State. Such changes as have been made in the forms as passed by the legislature last winter are explained in the following circular letter:

Alterations in the standard forms of life insurance policies made by direction of the Superintendent of Insurance pursuant to section 101 of the insurance law.

Section 101 of the insurance law, prescribing standard forms for all policies of life insurance, other than industrial policies, which shall be issued or delivered within this State by any domestic life insurance corporation on and after the first day of January, 1907, is a new section. Following the several forms therein provided the statute directs that any one or more of them may be altered or amended by the Superintendent of Insurance at any time prior to the first day of October, 1906, by direction filed in his office stating the reasons therefor, and if any such alteration or amendment is made the Superintendent shall promulgate the amended form or forms on said date.

Various life insurance companies, through their actuaries, executive officers and counsel, have prepared and submitted suggestions for changes in the statutory forms which they deem a necessity and recommend for favorable action by the Superintendent of Insurance. A large correspondence presents additional proposals for amendments.

In directing the adoption of amendments only such proposals as appear essential to correct an ambiguity in the phraseology or manifest errors or omissions in drafting the original text, or variations necessary to express clearly the intent of the law and obviate defects or causes of probable misunderstandings, have been given attention. The purpose has been to not interfere with the language of the statute where the meaning is certain, unless shown to have been based upon a misapprehension of conditions and that changes in the verbiage are a practical necessity. Slight additions or modifications explanatory of technical clauses have been made in a few instances. Numerous propositions substituting terms or sentences as preferable to those found in the law have not been regarded as entitled to serious consideration. In whatever form enacted, if the provision is definite and from its context or relation to precedents

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New York, Thursday, October 25, 1906.

LIFE INSURANCE COMMENT.

In all great stirrings of the public mind there must necessarily be a certain degree of vicarious suffering by parties whose conduct is on the whole irreproachable, although engaged in the same line of enterprise as that under condemnation. The rain of public abuse and misunderstanding falls alike on the just and the unjust, and it usually takes a long time before matters reassume their normal condition, and the public is once more in position to appreciate events at their true worth. Such a condition has existed in life insurance for some months past. The abuses which the investigation of last year and this brought out, though admittedly serious in themselves, were nevertheless generally confined to a few companies, and many of them had been repeatedly pointed out long before the demand arose for a caustic investigation. For a time the public seemed to be of the impression that the whole system of life insurance was only fit for condemnation, entirely overlooking the fact that the faults brought out were those of administration and not of the system. As usual in such cases of agitation, the principal sufferers were the poorest and most unintelligent of the community, many thousands of whom gave up their policies, some of them without even demanding the equities to which they were specifically entitled under the terms of their contracts. Life insurance in the past eighteen months or so has undoubtedly received a severe set-back, but the very severity of the investigation and the drastic measures which have been submitted for the prevention of abuses in the future have only served to give greater emphasis to the value of the system and to the absolute financial stability of the companies practicing it.

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Many companies have experienced months of poor business, although no scandals attached to their management, the principal sufferers having been the agents. The latter, in many cases, found that the public mind was not in that receptive condition where the arguments of the conscientious agent would appeal to them. Scandals had been exposed in the business, and while the newspapers were full of wrongdoing and the beneficent features of the business were entirely ignored no good could be seen in the system. In consequence of this feeling, a large number of men who formerly devoted their energies to the business of soliciting applications have turned their efforts in other directions, and are no longer numbered among the great fraternity of life insurance agents. This is, perhaps, not entirely to be regretted. It is always the weakest men who go to the wall when adverse circumstances overtake them, and in the ranks of the agents there were many men who had been attracted to the calling by the hope of securing easy money. The high commissions which had prevailed for many years made it an easy task for a man of ingratiating manners to sell life insurance, especially when he did not hesitate to grant a rebate in order to speedily close a case. Naturally enough, this class of men was the first to leave the field. As they could not sell life insurance on its merits, and were unable, through the abolition of advances and reduction in commissions, to give very much in the way of rebates, their occupation was gone, and the business was well rid of them,

much to the satisfaction of conscientious agents who prefer to get a fair price for their labors and to work on the principle that a policyholder once secured is to be kept until his policy matures.

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The searchlight of public opinion having driven out the men responsible for the scandals in the business and purged it of its evil practices, there is hope for better times all round, and it is encouraging to note that even through the hottest part of the newspaper campaign such companies as have always stood for clean practices and the utmost justice to policyholders, not only maintained their old business practically intact, but actually transacted a larger new business than ever before. There is, therefore, now no reason why the life insurance agent in all parts of the country should not go out with the fullest confidence in himself and his mission and secure applications at the same rate as prior to the investigations. In order to do this, he must talk life insurance and keep out of all controversies as to the investigations. Even if he finds it impossible to avoid the latter subject, he has all the advantage of the argument, for the abuses of the past have been rectified and measures adopted to prevent their recurrence, while the new legislation, both effective and proposed, is all in the interest of the policyholder and for the betterment of the business as a whole. No sane man can deny the fact that life insurance is needed just as much now as before the investigation, and the field for it is increasing in the same proportion as formerly. During the present year many thousands of persons have reached that condition where they can afford to take insurance, thousands more are in position to increase their lines, and there still remain the many hundreds of thousands who have hitherto been successful in putting off the important duty of signing an application. Besides all this, the prosperity of the country at large has never before been equalled, so that the plea of not being able to afford the premium for a life insurance policy is not likely to be heard. The harvest truly is plenteous, and it remains for the laborers to do their work in bringing it in.

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Encouraging signs have been observed in the field of late of a revival of industry on the part of the agency staffs of a number of companies, particularly where the home office officials have devoted a part of their time to enthusing their men with some of the old-time enthusiasm for the business and the company. Special efforts along these lines have not only been productive of large volumes of new business during a given time, but have also brought up the production to the former average in the weeks that have followed. In all cases where the agents have gone out filled with the determination to write business, their efforts have been crowned with success, and many of them have found out, almost as a surprise, that the public needs life insurance and is more firmly convinced than ever before of its advantages. The same arguments as to the necessity for life insurance hold good now as two years ago, and can be backed up by the assertion that, in spite of an investigation more rigid than that imposed upon any other business, not a life insurance company has failed to meet all its just obligations, and the financial stability of

the companies as a whole is unimpaired. In the two months remaining of the present year, it should be the aim of every life insurance agent to do the very best that lies in his power to further the interests of his company and himself by going forth with confidence in his mission and bringing in the applications, so that the ground lost during the troublous times of the past two years may be regained.

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In making this canvass, the agent will find one condition materially changed, if not absolutely eliminated, and that is in relation to the investment feature of life insurance. In the past, too much stress has been laid on the large returns to be expected from the purchase of a life insurance policy. Such a contract is not an investment per se, and the man who goes into a company with the hope of making a large profit for himself is likely to sacrifice to some extent the protection which he should give his family. Some men of large means can afford to take the numerous investment forms of contract issued by many companies, but the average man taking out a policy is under obligations to protect his family to the utmost, and consequently must secure as large an amount of life insurance as his means will permit of. His investment is in the future comfort of his family, for the policy will provide a large return in that direction. Ordinarily, a man does not buy a home as an investment, for he well understands that the money he expends in beautifying and improving his home would not be returned to him in the event of a forced sale. But the money he expends in that direction does bring large returns in comfort and the satisfaction which comes from being able to take his ease in his own home. So with life insurance. It brings satisfaction to the mind of the insured in that he knows the future of his dependents is secure and the comforts it will provide for them is the best investment return he can look for. The duty of the agent, therefore, is to sell protection. Even the question of dividends may properly be ignored, for in life insurance there is no such thing as a dividend. Careful selection of risks, the proper investment of funds and economical management will result in certain savings over the assumptions entering into the calculation of the premium, which are distributed among the policyholders contributing to them as over-charges, but the object of life insurance is not to provide dividends, and the sooner the agent gets away from that idea, the easier will he find his work. In the further propagation of the life insurance idea, therefore, it will be found profitable to dwell solely on the protective element of the system, and see that every applicant is provided with the largest amount of protection at the least possible cost. The companies in the meantime, under the spur of competition and publicity, will see to it that every possible saving is effected in mortality, interest and expense.

THE LAW AS A STIMULANT TO THE UNDERSTANDING.

BY A WESTERN AGENT.

On looking through my notes, I find a quotation which sounds wise enough to have been evolved by a newspaper editor. It is to the following effect: "Certain changes in the law can make life insurance what it should be, though wide public knowledge must be the basis, both for the law and for the improvements. The law can make it easier to understand what one pays for when he buys a life insurance policy, and to prevent his being swindled by false representation." I dare say that if I chose to be hypercritical I could find bad grammar, bad rhetoric and bad logic all in this one short paragraph, but inasmuch as such imperfections may be found in almost any writing, it will add nothing to the force of what I have to say. What I wish to dwell upon is the peculiar optimism and self-confidence which prompts the average newspaper writer to judge of matters of which he has but slight knowledge and to propose perfect schemes of reform. The editor asserts that "the law can make it easier to understand what one pays for when he (one?) buys a life insurance policy, and to prevent his (one's?) being swindled by false representation." I will concede that the law could prevent one from being swindled if one knew enough to know when one was swindled. The law can do that now if I am not mistaken. Are there not laws against swindling? Furthermore, if one knows enough to know when one is being swindled, does one need such careful protection by the law?

I don't know much about minerals, but I know enough not to buy a gold brick without having it assayed, and so the law which might punish gold brick salesmen is not very helpful to me. But if I didn't know a gold brick from the real metal, is it probable that I should escape the wiles of the swindler? I suppose, however, that the editor reasons that if we had life insurance swindles described, specified by name, and duly penalized, that this would tend to intimidate the swindlers and thus indirectly protect the lambs from fleeing. Be it so, then, but how can the law make it easier for one to understand what one pays for when one buys a life insurance policy?

Eleven years ago, my brother and I attempted to write a friend of ours for a twenty-year endowment. We had three or four interviews with the young man in the course of that many months, and he finally set a date for signing an application. He failed to keep his word, however, and during the next three or four years we made repeated efforts to bring him within the fold. In 1898, five years after we first began to solicit him, he applied for a twenty-year endowment and agreed to receive his dividends annually. He has now been a policyholder in our company for eight years and has taken credit for his dividends annually. He has received the usual premium notices, and has had an opportunity to learn by actual experience what "dividends" mean. Notwithstanding, stimulated by the general agitation of the subject, he requested me the other day to explain what is meant by the accumulation method of applying dividends. He had heard the explanation before a number of times, and after eleven years of explanation, reflection and experience he still failed to understand what seems to me a very simple matter. He was receiving dividends, and yet did not know whether he was accumulating them or not. I went over the usual explanation again, and illustrated the various methods of applying dividends by everything that I thought could make it clear and simple. He pretended to understand me at the time, and I think he did, but I would be willing to wager that to-day he is hopelessly confused again.

Now this policyholder is perhaps not quite the average policyholder, but he is not far below it, and his intelligence is a fair sample of what the solicitor meets with every day. He simply has an ordinary mind, does not care much for insurance, is not ready on anything outside of his usual routine, and life insurance knowledge drops out of his memory almost as rapidly as it is put in. Will our editorial friend kindly explain how we may deal with this case? Will he tell us how the law can so modify men that they will take a more general interest in things and give a more intelligent attention to their insurance policies? Would it be desirable to pass a law requiring a policyholder to examine his policy at least once a month and to spend, say, thirty minutes, in an intelligent study of it?

What shall we do with cases like this: A young lady desired an endowment last Christmas, but our company does not write women. She came to me because she has known me for fourteen years and trusts me. She didn't care to make an intelligent study of insurance so that she might act upon her own judgment. She desired a certain result, and she believed that she could obtain that result by a short process. She positively declined to devote any time to the matter. Accordingly, I selected a company, decided upon a policy and wrote her application. The application was duly approved, and when I delivered the policy I made a special request that she call at my house some evening and go over it with me. I told her that I was opposed to taking anything on faith, and that it was just as unwise as a business policy to trust me implicitly, as it would be to trust a total stranger. She was unusually busy when I made this appeal, and promised that after the holiday rush was over she would read her policy over with me. Nearly eight months have passed and she has not redeemed her promise. There is no probability now that she ever will, unless some question should arise about her company, and while she is as just as most human beings, I should not be greatly surprised if, in that event, she blamed me for putting her in a bad company.

This has been my experience with most policyholders. I do not mean that they come to me in the way that the young lady did, but they lose interest in insurance as soon as they have received their policies. Often they will avoid going over a policy on the plea that they are too busy, and in nine cases out of ten they will promise to read a policy and never fulfill it. Then, when a misunderstanding

arises, they will curse the "fine print away off in an obscure corner of the policy."

The truth of the matter is that nine out of ten men are practical in the sense that they desire to be acting on and deciding matters. They wish to reach results by the quickest process. They have a repugnance to a slow and tedious examination of numerous facts. They are always anxious to be "doing something." Agent Smith interviews Prospect Brown and presents the merits of the Dash Life Insurance Company. He has letters from Brown's neighbors who have carried policies for years, records of settlements made and claims paid in the community, and he accomplishes just what he aims to accomplish. He convinces Brown that insurance is necessary and desirable, that the Dash Company is worthy, and that he ought to take a policy. In one word, he wins Brown's confidence, and after that, careful examination is not only unnecessary but superfluous. Men like to act, and Brown is now justified in taking a policy. The examination of figures and fine print is too tame to be classed as acting, and Brown files his policy away without reading it with the comfortable reflection that he is at least as wise as his neighbors because he has only followed their example. His company may be very 'good, good, or merely fair, but if some such process as this is gone through with, and he so far gives his confidence as to apply for a policy, he will accept most of his information on faith and then go mad if he hears a slight rumor about his company. He did not "know" in the first place what he was doing, and as long as he acts because he has faith in his neighbors, and not because he has examined for himself, he never will "know" whether he has done right.

Now I have no schemes, legislative or otherwise, for suddenly modifying human nature. As long as I am compelled to solicit men, I am rather glad that they are constituted as they are. It makes my work easier, and on the whole, I am inclined to think that the short process of acting upon the judgment and faith of others does not result injuriously to any large number of persons. If, however, I thought that passing more laws could improve humanity and bring about a better general condition of things, I would require every policyholder to read his policy with the agent in presence of a witness and furnish a certificate that he understood it. The certificate could be made in duplicate, but without it the policy would be invalid. This certainly would compel policyholders to read their policies at least once, and while, as I have said, I see no great efficacy in a multitude of laws, if I passed any laws I would put the burden of understanding as heavily upon the policyholders as upon the companies or the agents.

WHAT THE INSURANCE DISCUSSION HAS DONE.

The popular prejudice against life insurance caused by the exposures of last year is beginning to react, as sensationalism generally does, and prejudice is giving away to reason and a better knowledge of the mission of life insurance. It may be said that among intelligent men the prejudice they felt was not against life insurance per se, but against the mismanagement that was exposed. Now that there have been thorough reforms in the respects criticised, and new men have taken the places of those charged with maladministration, there is a growing feeling that the companies are in a better position to administer the system of life insurance than they have been in a long time. An agent of one of the large companies relates his experience with a man whom he regarded as a "tough prospect." The man was a friend of the agent, but could not be induced to take out a policy. He argued that the company was too large, was more devoted to financial speculation than to looking after the interests of its policyholders, and no arguments the agent could put forth could induce him to insure his life. When the investigation was the sensation of the hour, the agent avoided his friend, but recently the friend called him to his office and said, substantially: "You used to talk life insurance to me and I wouldn't have it, because I thought the company you represent was extravagantly managed, and that policyholders were not getting what was justly their due. The investigation has proved that I was right. Then followed the 'housecleaning,' which weeded out incompetent officers, abolished fat sinecures and inaugurated economies that will eliminate extravagance. I now have faith in the company, and will take a policy through you.

I always wanted life insurance, for I believe in its beneficent purpose, but was suspicious of high-pressure management. Now your company is down to hard pan, I think it will in future do justice to its policyholders." The agent said that he was never more surprised, and forthwith wrote the application of his friend for a \$10,000 policy. "This set me to thinking," said the agent, "and I concluded that if the 'housecleaning' had converted such a hard-headed proposition as my friend, it had probably done the same by others, so I went to work and soon found that there was a feeling of renewed confidence in life insurance, and that business would come easy to the man who 'hustled' for it. I began to 'hustle,' with the result that my new business very nearly equals what I used to do." If all agents will go to work with their old-time enthusiasm and confidence, they will find their prospects better informed on the subject of life insurance than formerly and in a more receptive mood.

LEAVING MATTERS TO THE AGENT.

Not long ago, a special agent of one of the best life companies was visited by a man who was in receipt of a good income in the form of a salary and commissions, who explained that he realized that he ought to make some substantial provision for his family, so that, whatever happened, their security would be assured.

He informed the agent that he had made up his mind as to that point, and had determined to settle the matter at once, and stated that his plans were all formed.

He had considered the matter carefully, and had decided how much of his income he could set aside, annually, to pay for insurance.

"I know nothing about life insurance, and I do not know what are the best companies. I want you to do the business for me—apply the money that I have set aside from my annual income in such a way as to give me the most and best protection, with the best permanent investment for my money."

Having confidence, and knowing well the agent, this man's action was a wise one. Having thus provided against sudden death or incapacity, he could continue to pursue the career that circumstances had decreed that he should follow with an easy mind and a clear conscience. And not knowing what forms were the best policies with which to accomplish his object, and not knowing one company from another, he did well to confide in the agent; and there are very few agents of well-known companies, connected with reputable offices, who are not worthy of this confidence.

TO THE MAN OF MODERATE MEANS.

A prominent financier and real estate man recently expressed the opinion to the writer that there would be a decided reaction to the present wave of prosperity within the next three years, and that there would be a steady and marked decline in the values of real estate.

"The man of large means, of extensive income from investment in sound securities, has nothing to fear," he said: "he can wait for the next reaction. The small 'capitalist' must look out that his savings are safe in good, sound investments. As for the man who is just saving something from his weekly income, he must be careful to put it where it can be found after the tidal wave rolls on. It must be in something which will not be affected by any industrial or financial crash—and I know of nothing so secure as life insurance in good companies such as you and I know. I wish my words might be heard and pondered over by every struggling man of small or moderate income."

A LITTLE HOME AND LIFE INSURANCE.

A man may leave a "home," etc., to his widow and children, but of what use is a house if there is no money to go with it? They can't eat or wear the house.

This is something which the life insurance agent hears a good deal about—the "little home, all paid for." But with it must be money to enable the dependents to keep the home.

A good substantial life insurance policy, with the "little home all paid for," means thrift and good judgment.

BUSINESS IN FOREIGN COUNTRIES.

Showing the business of four American companies in countries outside the United States and Canada or the year 1905.

COUNTRY.	EQUITABLE.			MUTUAL.			NEW YORK LIFE.			GERMANIA.			TOTALS.		
	No. of Policies in Force.	Amount of Insurance in Force.	Premium Receipts in 1905.	No. of Policies in Force.	Amount of Insurance in Force.	Premium Receipts in 1905.	No. of Policies in Force.	Amount of Insurance in Force.	Premium Receipts in 1905.	No. of Policies in Force.	Amount of Insurance in Force.	Premium Receipts in 1905.	No. of Policies in Force.	Amount of Insurance in Force.	Premium Receipts in 1905.
		\$	\$		\$	\$		\$	\$		\$	\$		\$	\$
Europe	63,677	181,003,263	7,589,755	97,634	234,757,397	9,489,871	136,898	363,495,642	16,557,555	32,457	46,921,172	2,086,620	330,666	826,177,474	35,723,801
Asia	2,671	7,829,760	414,124	1,471	2,084,336	105,230	23,048	26,003,913	1,393,219	....	....	....	27,190	35,918,009	1,912,573
Africa	6,561	20,059,821	753,808	5,753	17,723,095	736,105	3,568	10,125,367	453,582	....	....	....	15,882	47,908,283	1,943,495
Australasia	17,193	30,930,048	1,166,876	6,200	12,825,369	480,778	8,966	16,714,890	643,459	....	....	....	32,359	60,470,307	2,291,113
South America	8,314	45,100,582	1,490,613	....	....	....	14,713	40,996,428	1,748,388	....	....	....	23,027	86,097,010	3,239,001
Central America	875	3,269,289	61,453	....	....	....	747	2,198,693	96,498	....	....	....	1,622	5,467,982	157,951
West Indies	2,202	8,356,185	309,600	1,414	3,650,270	226,081	4,714	10,424,423	684,473	....	....	....	8,330	22,430,878	1,220,154
Mexico	2,701	9,161,182	266,772	9,565	18,751,796	930,397	6,823	17,510,141	882,831	545	2,294,313	123,260	19,634	47,717,432	2,203,260
Other countries and islands	1,487	5,024,057	198,754	....	....	....	2,168	6,913,852	305,636	....	....	....	3,655	11,937,909	504,390
*Totals, 1905	105,681	310,734,187	12,251,755	122,037	289,792,263	11,968,462	201,645	494,383,349	22,765,641	33,002	49,215,485	2,209,880	462,365	1,144,125,284	49,195,838
*1904	105,214	314,155,248	13,022,160	113,991	271,813,834	11,165,278	181,687	454,372,593	20,737,803	32,087	46,958,488	2,124,699	432,979	1,087,300,163	47,049,940
*1903	103,683	315,925,572	12,957,290	104,591	254,494,390	10,579,696	158,451	409,635,830	18,490,995	30,830	44,773,726	1,951,542	397,555	1,024,829,518	43,979,523
*1902	97,780	302,631,359	12,201,907	94,369	224,331,416	9,581,291	129,375	347,501,413	10,225,504	29,847	42,181,009	1,784,371	351,371	916,645,197	39,793,073
*1901	91,910	286,250,485	11,156,457	84,643	202,475,896	8,675,491	109,345	304,048,412	14,207,470	29,324	40,949,654	1,700,172	315,222	833,724,447	35,739,590
1900	86,964	275,878,296	10,571,689	74,969	181,729,271	7,920,573	98,891	285,161,655	12,813,382	28,326	39,204,292	1,654,739	289,250	781,973,514	32,960,383
1899	82,845	267,047,747	10,199,654	66,612	162,625,185	7,120,167	83,050	253,840,670	11,715,407	28,052	38,407,949	1,615,157	260,559	721,921,551	30,650,385
1898	79,864	261,722,707	9,893,506	58,158	144,590,410	6,515,658	68,602	231,376,545	10,735,688	27,151	36,785,518	1,581,966	233,775	674,475,180	28,726,818
1897	77,708	261,442,149	9,490,240	50,521	128,917,670	5,853,598	64,861	225,146,582	10,462,751	26,302	35,449,037	1,505,237	219,392	650,955,438	27,311,826
1896	75,696	258,406,304	9,179,933	44,513	118,565,437	5,528,871	63,616	227,306,174	10,530,361	25,506	34,200,011	1,453,762	209,331	638,477,926	26,689,927
1895	75,427	261,597,161	9,705,427	40,399	111,692,607	4,899,266	59,697	233,720,641	10,965,201	24,754	32,732,574	1,412,113	200,277	639,742,983	26,982,007
1894	74,098	260,631,010	9,215,370	33,953	96,605,557	4,418,235	59,511	237,487,923	11,073,554	23,951	31,697,430	1,377,819	191,513	626,421,920	26,084,978
1893	70,651	252,878,247	9,945,685	27,742	84,814,129	3,642,757	53,508	221,713,171	10,179,850	22,760	30,591,081	1,316,541	174,661	589,996,628	25,084,833
1892	64,593	239,311,894	9,526,473	19,506	61,349,565	2,784,271	54,403	211,334,680	8,987,289	21,604	28,908,915	1,247,319	160,106	540,905,054	22,545,353
1891	61,061	235,158,107	9,533,436	14,318	47,450,264	2,192,273	44,870	185,829,365	8,640,818	20,200	26,844,820	1,180,958	140,449	495,272,556	21,547,485
1890	54,109	215,979,331	8,639,173	8,841	33,091,053	1,435,586	40,625	172,351,422	8,008,174	18,835	24,813,076	1,019,415	122,310	446,234,882	19,102,348
1889	47,843	192,866,753	7,714,670	5,484	21,385,092	922,035	35,148	148,028,361	6,914,507	16,760	22,013,568	948,474	105,235	384,293,774	16,499,686

* Policy claims paid in foreign countries in 1901, \$15,527,164; 1902, \$16,088,075; 1903, \$19,317,076; 1904, \$20,652,717; 1905, \$22,216,356.

SAFETY A CHARACTERISTIC.

Safety is the distinguishing characteristic of life insurance. There has not been a failure of an old line life insurance company in the last twenty-five years, or, at least, such failures have been so few and far between, and, on the whole, of so little consequence that they excited no general interest. No other class of financial institution can boast of such a record; and compared with the hundreds of millions of the people's savings entrusted to the companies, the losses by failure are practically infinitesimal. To be sure, a few companies have reinsured outstanding risks and have ceased doing business during the past twenty-five years; but every policyholder thus reinsured was a gainer, not a loser.

In twenty-five years, however, banks have failed, trust companies have gone to pieces, railroads have gone into the hands of receivers, and financial institutions have failed to return not only the invested principal, but the interest thereon.

TERM INSURANCE.

Term insurance fills an important place in life insurance economics. By term insurance is meant insurance for a limited term of years. For example, a five-year term policy provides for the payment of a certain indemnity in case of death during five years, subject of course to the payment of the regular premiums. At the end of five years the policy expires and the transaction is complete and closed.

One of the principal functions filled by term insurance is in the capacity of collateral security. Many examples of its value in this connection present themselves. Suppose a man borrows money on a mortgage of certain property and the lender wishes to indemnify himself in case of the borrower's death before the mortgage becomes due. Suppose money is borrowed on personal security, under such conditions that the borrower's death would prevent repayment. Suppose a certain person is to fall into an estate when reaching a stipulated age and having no means of sustenance in the meantime desires to discount the future income. In none of these cases could the desired transaction be properly completed without the aid of an insurance policy as collateral security.

Of course, the borrower would not desire to pay any more for this insurance than was absolutely necessary. A term policy would naturally be selected as providing protection at the lowest possible cost.

There are thousands of cases where a man desires immediate insurance protection, but his affairs are so arranged that he cannot afford to pay the amount of premium required by a level premium policy. A young man just starting in business or commencing a professional career needs practically every cent he can earn to provide the necessities of life; yet he wants insurance immediately to repay his father in the event

of death for money advanced for his education, or perhaps there is a mother or sister dependent upon him for support. A business man is enlarging his property, a professional man is building a home; but both want to increase their insurance to accord with their new responsibilities.

Others, not needing insurance protection at present, are farseeing enough to realize that there is a chance that they will not be able to pass the necessary medical examination in a few years when the insurance will be badly needed, and yet do not now desire to pay the larger premium required by a life or endowment policy.

In all cases of this character term insurance is the happy solution of the problem presented. The premiums are low and most of the term policies contain the privilege to renew or exchange to another form of contract later on, without medical re-examination.

Of recent years building and loan societies have found term insurance indispensable to the proper carrying out of their contracts. Money is advanced to a member with which to build a home, the repayment of which is to be made in weekly or monthly instalments. A term policy is taken on the life of the borrower, the policy reducing each month to accord with the decrease in the loan made by the monthly payments.

Another convenient use for term insurance is this: An applicant for insurance on a level premium plan desires his premiums to fall due on a day, two, four or six months hence, yet he wants to be insured in the meantime. The company will charge him an interim term premium for this temporary protection, the regular policy to commence at the end of the term.—Caritas.

IMAGINE YOUR OWN FAMILY LEFT UNPROVIDED FOR!

It is hard for the man in robust health, with every prospect of a long life before him, to realize that he may be taken away from his family at any time, or that, in any event, old age will soon be here. It is hard for him to picture to himself a family suddenly bereaved of the breadwinner, or a wife left to struggle alone with old age or poverty, and thus to realize what a blessing life insurance is in such a contingency. Could every man be confronted suddenly with the vision of his own family left destitute, or, at least, not so well provided for as he could wish—as would surely be the case if he were taken now; could he realize their gratitude as the beneficiaries of his foresight in throwing about them the protecting care of life insurance, or witness in imagination their despair in the absence of such a provision, more men would make it their first concern to insure, and those already insured would take an additional amount.—The Statement.

"Every man his own doctor" is frequently changed to read, "Every man his own life insurance company." Many a man has discovered to his sorrow that he can't be his own doctor, and many a man's friends have discovered—after he is dead—that he couldn't carry his own insurance.

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, November 8, 1906.

LIFE INSURANCE COMMENT.

The few weeks remaining of the present year should prove highly productive ones for the energetic life insurance agent, not only because the usual spirit of good feeling is invoked as the Christmas season approaches, but because there is so much time to be made up that has been lost on account of the unsettled state of public opinion which followed the life insurance investigations. In spite of the fact that the legislature of one State has interdicted the issuance of the deferred dividend contract after this year, and that other States will probably follow suit, there are still a large number of persons to whom this form appeals and a great many agents who prefer to sell it. These agents will naturally be particularly busy in closing up cases before the year closes and thereby bring their production for the year up to the normal average. Besides all this the events of the past few months have been highly encouraging to the field workers as indicating that the trend of public opinion has once again turned in favor of life insurance. Even the daily papers which proved so venomous in their criticisms have realized that it was the abuse of power by the managers which was wrong, and that the system itself stood out unscathed. The thousands of policyholders who abandoned their insurance in unreasoning panic have had time to think it over and to become convinced that they have made a huge mistake, and with very few exceptions they are anxious to replace the policies lapsed. In order to aid them the several companies are offering every inducement to get them to restore their contracts and this action affords the agent an opportunity to secure increased lines.

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Reports received from a number of life insurance companies, covering the month of September, indicate that the fall season opened most auspiciously, and on the whole the production was largely in excess of the corresponding month of last year. The same rate of progress in all probability continued during October, and there is no good reason why the forward movement thus inaugurated should not continue throughout the winter months. Every indication points to a continuance of prosperity in the country at large, the abuses of life insurance management have been eradicated and many reforms put in operation which will tend to greater security for the contracts and better returns on them, while at the same time the field for the propagation of the life insurance idea continues to expand, so that there can be no complaint as to the field being exhausted. Example is always better than precept and the fact that a number of companies and agents have shown during the past few months that business can be written with as much ease and in as large volume as prior to the unfortunate developments of last year should encourage the doubters and hearten them up to renewed efforts. The one thing to do, therefore, is to talk life insurance and keep away from all investigation talk. Take the offensive and devote your energies to making the prospect admit the value and necessity of insurance and there will be little fear as to the outcome.

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During the past few months there has been a change in the atti-

tude of the agents as to the effect of the legislation enacted and proposed, so far as it affects their prospects for work in the future. While it is true that owing to the haste with which the legislation was forced through, there were many imperfections developed, still these can be remedied, and doubtless will be, while the former abuses are made impossible of recurrence. The most difficult points to be overcome rest with the managements of the companies, and in solving them they will have to be guided by the light of experience as manifested during the next few years. The main cause of contention on the part of the agents originally was as to the rate of compensation. Fortunately by presenting a united front at the hearings before the legislative committee at Albany they secured several concessions, and careful study of the provisions of the law during the past months have shown that they will not be so badly off as they at first imagined. In the first place they will no longer have to apologize or explain away extravagant expenses of management, for the companies are strictly limited in this regard, and so long as the annual statements are carefully scrutinized in this respect and the law fully enforced there can be no ground for complaint on the part of policyholders. Under the new laws the commissions which the companies can pay their agents are materially reduced from the times of the high-pressure days. This is not a matter to be deplored by any means. An examination of the scale of commissions which the new laws permit of shows that it is no lower than a large number of conservatively managed companies have followed for a number of years, and there has been little or no complaint on the part of the agents of those companies that they could not make a living. As a matter of fact, some of the most prosperous life insurance agents of the country are those representing companies which refused to be drawn into the scramble for business at any price.

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The limitation of commissions and the abolition of bonuses will result in the production of a more stable class of business, as a low commission is a most material check to rebating practices. The life insurance rounder who found it easy to go from one company to another and work under advances will find his occupation gone, and as such men could only secure business by means of heavy rebates they will be forced into some other line of employment. At the same time a check will be given to that class of the public who knew the ropes well enough to secure a policy in one company one year for a large amount at a low price, and the next year allowed it to drop and replaced it with a similar contract in another organization. Such practices as these existed under the old conditions and were well known to the agents, who were powerless to stop them so long as the inducements of high commissions, heavy bonuses and large advance were held out by the companies. For years the agents who respected their calling as one of dignity and honor fought against these practices, and now that they have won out they will work with renewed energy to keep the business free from all reproach. Of course many agents will have to make some sacrifices to conform to the new conditions, but a careful examination of the prospects for

the future will convince them that in the end the changes will turn out for the best.

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For a number of years past there has been developing a change in the agency system, which the new laws would seem to encourage. The old methods of giving out large parcels of territory to a single general agent who then contracted with sub-agents were gradually being abandoned in favor of direct control of all the field force from the home office, through salaried representatives at important centers. This latter plan will now be carried out on even a larger scale and the man with a rate-book will become the important factor. Many men have been developed in the agency work who have shown marked executive ability, and while they will hereafter find themselves compelled to pay more attention to personal canvassing for new business, still they will continue to draw to themselves that large class of men who need to be continually guided in their work, and can only be successful when they are kept up to an allotted task. The life insurance field has lots of room for such men and the agent who devotes a part of his time to their oversight will find due compensation even although the contract as agent is made direct with the company. The changed conditions require that more than ever before the life insurance agent must be a man of ability, and not one who has made a failure in other lines of enterprise. The ability to sell goods of any description can be applied to life insurance work, but in order to be thoroughly successful the subject must receive careful study, and consequently the life insurance agent of the future will occupy a much higher position in the ranks of intelligent workers than a majority of them have done in the past.

HOW INTEREST IS DEVELOPED.

BY A WESTERN AGENT.

Some years ago when our country was in the throes of a panic, the general agent and I made a canvas in a small town in a remote part of our field. We went there primarily to give some training to a beginner, but it happened that conditions were unusually favorable and we were able to teach the art of writing applications by actually writing them. Our agent that was to be held a position in the local bank and was acquainted with the financial condition of nearly every man in the community. He gave us the names of about a dozen good prospects and we immediately went to work.

The first person we approached was the proprietor of a general store. I do not recall whether he had any other insurance or not, or whether he met us with the approved statement that he had all the insurance that he wanted. I do remember, however, that he did not capitulate immediately, and that it required about two hours to secure his application. He applied for a couple of thousand on the twenty-payment life plan, and as he was somewhat advanced in years, the premium was nearly \$100. With the proprietor I am not much concerned except to say that our success with him seemed to make everything easy and for a few days our experience was almost like finding money. The general store required six or eight clerks, and as this was my first trip into the field, I was greatly astonished to notice that as soon as the proprietor began to consider insurance all of the clerks were anxious to have policies. I have been saying "we" all the time, but in reality I went with the general agent expressly for the purpose of picking up experience, and while the proprietor was being rounded up, I stood off and viewed the process. I was just a trifle embarrassed, therefore, when the clerks took it for granted that I was a full-fledged solicitor and began to ply me with questions. For a minute or two I was afraid that I might spoil some applications by my awkwardness and inexperience, but the general agent was able to keep his eye upon several things at once and he gave me a hint to take hold. I took a couple of the clerks into another corner of the store and began to disburse information as best I could. It did not require much. The clerks wanted insurance that they could carry conveniently, and for general average purposes a twenty-payment life is about the thing. I think that if I had to recommend plans of insurance without knowing any of the conditions of the policyholder I should invariably recommend the twenty-payment life. It

is a compromise between various extremes and it can hardly fail to meet at least one condition in any man's life. Well, I talked twenty-payment life to the clerks, and as the premium was moderate, it suited them. They were ready to buy after a brief explanation and in a few minutes I had an application. The whole experience was so new and unexpected to me, and my work seemed so crude and imperfect as compared with that of the general agent, that I felt, in the language of the stage comedian, "that it was really a shame to take the money." But the clerks were willing and I found myself in the novel position of having an application almost thrust upon me.

Now this is not a fairy story. It happened substantially as I have narrated it, and in the course of two or three days the general agent and I wrote six or eight applications without being compelled to exert any of that eternal persistence which is usually required to obtain an application. The applications, of course, were small, in a town of 1000 inhabitants not many persons can afford to apply for \$5000 policies, and our total business did not exceed six or eight thousand, but the manner and the extraordinary ease of writing it are what I wish to emphasize. Since that day I have often exerted more ingenuity and energy in writing a single \$1000 application than the general agent and I both exerted in writing all of the six or eight applications. Our experience was an exception in every particular. I have seldom seen or heard of anything like it, and it therefore serves as an excellent illustration of principle which I now wish to announce.

The principle is this: The interest which a particular person feels in a thing is to a large extent stimulated, nourished and preserved by the interest that others feel in it. At some time in the history of the human race one man found a diamond and took a violent fancy to it. He polished it up in a crude fashion and began to parade it before his friends. They were infected by his enthusiasm and began to search for stones for themselves. Such as were fortunate, inoculated their friends in turn and so it continued until diamonds were considered universally desirable. I do not mean that this came about all at once or that the diamond has no merit in itself. But some one person must first get interested in a thing, and many persons must ultimately be interested in it, or it will never be an object of general interest. Life insurance began in the same way. One man one day realized the possibilities of the scheme and in a crude way attempted to put it into practice. Slowly and imperceptibly one man after another became interested in it until now life insurance is one of the most gigantic enterprises on the globe.

Since life insurance is so much a matter of fact that hardly anyone can be ignorant of it, let us say that the interest in it is already created, and that when a man is so much wrought upon that he signs an application it is because his interest is focussed. Interest is focussed in the same way that it is created. Some one person must act as a starter. In the case which I mentioned in my introductory illustration, the general agent may be considered as the absolute originator of all the interest which ultimately sprang up in the little country town. By his own belief, enthusiasm and interest in his goods he first infected the merchant. As soon as the merchant began to warm up, his whole force of clerks responded and the interest of each acted and reacted upon the interest of the others in such a way that for the time being life insurance seemed the one thing desirable.

Now, of all the different states of mind which are possible to a human being, hopefulness, it seems to me, is the most necessary to a life insurance solicitor. Depression or discouragement utterly be-fogs one, and not only makes good work impossible, but often makes any work impossible. It has always been my theory in writing articles for the insurance press, and it is about the only distinct plan that I have, that anything that will make or keep a solicitor hopeful is worth dollars to him. And if the solicitor will take hold of this principle of creating and focussing interest and endeavor to make it a part of his very being, he will have something which will be a resource in time of discouragement. If he gets depressed over the new plans, and companies and schemes which he hears of and is disposed to think that he is under a disadvantage with his old-style goods, let him remember that he himself arouses the interest and not the goods. In a certain sense he is the goods, and if he will just trust in himself and keep faith in his goods no quantity of new

schemes and frills in life insurance will prevent him from getting his share of business.

In almost every transaction we buy others or sell ourselves. Not long ago I looked at a piece of real estate with an agent. Now I flatter myself that I know a good house when I see one and I think I have strength enough to act upon my own judgment, but when the agent pointed out the merits of this particular house, they looked much more attractive than they did when I viewed them by myself. Later I invited one of those cold-blooded judicious friends which we all have to look at the house with me, and in the popular slang, he made it "look like thirty cents" to me. I bought it just the same, but with a due appreciation that "it has its faults." The importance of having a man behind a thing is so generally realized that a friend of mine is invited every week or two to deliver an address which is in print and has been circulated to the extent of about 50,000 copies. Notwithstanding, he often delivers the address word for word as it occurs in the pamphlet.

Let the solicitor remember, then, that he himself is more interesting than his goods, and that if he will keep faith in what he is selling and sustain his own interest he will have no difficulty in interesting others. It is just as true as that the sun shines that other men will be interested in life insurance exactly in proportion as he himself is interested in it, and that he may be crude and ignorant and awkward and still succeed, but he cannot possibly do so if he has no faith in his business.

UNCEASING INDUSTRY BRINGS SUCCESS.

A life agent who is to-day and has been for many years successful, has written several millions of business and who has accumulated a substantial competence for himself, was told, nearly a quarter century ago, by another agent who is known as a "big man," one who writes only large policies, "I don't think you will ever make a successful life agent."

This rather discouraged the young man at the time, but his discouragement was only temporary, being followed by that state commonly known as "mad." In short, when he came to think it over, it made him "mad." He determined that there was no reason why he should not make a success as a life agent and he began to examine himself to ascertain wherein he had been below the standard.

He satisfied himself that it was not because he lacked natural ability, that he had not attracted attention, or made a great success so far, but because of a certain thoughtlessness and easy-going disposition which prevented him from doing his best.

So he immediately turned over a new leaf and devoted himself to business and what he lacked in brilliancy he made up in industry until he became, not a meteoric success or a spectacular writer, but a good, substantial producer for his company.

Meantime, the other agent who was so sure that he would not be a success, worked himself out, in other words, he was meteoric and when it came to getting down to steady, hard work day by day, he could not "make good." So, after a few years of phenomenal success, he seemed to lose his grip, so to speak, and dropped out of sight, although he is still writing insurance, but instead of being in the front rank he has fallen to the rear.

In this business as well as in others, it is not so much great brilliancy or great natural talent as it is unceasing industry which brings success.

TRAINED MEN NEEDED.

It is true in other lines of business and it is true in the business of life insurance, that an idea prevails that a good living can be secured in soliciting life insurance by people who are either incompetent or incapable of doing anything else. Unfortunately for the business, people who have failed in other lines of endeavor turn as a last resort to life insurance. It is not admitted that a person who has made a failure in one line of mercantile business will succeed in another, neither is the opposite necessarily true, but it does not reflect business credit upon the business of life insurance when it is made the dumping ground for inexperienced of both sexes, lawyers who have been a failure and superannuated preachers.

It is something which requires a regular training. It demands intelligence and a good business mind. It is not a business for failures or for the inexperienced, and the fact that it is resorted to by such people tends to bring the profession, for such it is, into disrepute. How can a person absolutely without experience, without training, without even the necessary mental qualification, expect to be able to properly present a contract of life insurance or succeed in a business which is not only a science, but a very complicated science?

The above train of thought was expressed by a certain well-known agent who had become disgusted with the horde of incompetents who are misrepresenting life insurance. The same complaint comes from those engaged in other lines who know their business and who reflect credit upon it. What there should be is a clearing house, if that were possible, or an association or something which would prevent any but competent people, who intend to make life insurance their life work and their life profession, from entering into the business. They cannot present a contract, they have little comprehension of the subject.

In short, they misrepresent not only the contract which they are selling, but they misrepresent the whole system. Individual agencies and the companies themselves can see to it that the tone of their agency forces is kept at the highest degree of efficiency.

NOW IS THE TIME TO HUSTLE.

Two months only remain in which agents of the life companies have the opportunity to make up their records for the year. During the first half of the year there was some excuse for an agent falling behind his previous record for securing new business, for the public mind had not entirely recovered from the shock it received from the scandals of a year ago. But latterly the conditions have changed, the companies criticised have removed the causes of complaint and introduced reforms that will result in greater benefits to policyholders, while the other companies have pursued the even tenor of their way, unchallenged and uncriticised. Life insurance is a better proposition to present to people than it ever has been, for it has come through an ordeal, unprecedented in its severity, unscathed and thoroughly endorsed as the most beneficent institution of the age. The public has been better educated regarding it and is in a mood to give it due consideration. The country is in an unprecedentedly prosperous condition, money is plentiful and business thriving and prosperous. Agents of life companies are much to blame if their writings of new business are not up to their standards, for they have been apathetic. Instead of hustling to counteract false impressions that were being sown broadcast, many of them folded their arms and ceased their efforts to sustain the industry that gave them their livelihood. They can yet redeem themselves by increasing their activity from this time forward. There is just as much a necessity among the people for life insurance as there ever was, and it will take less persuasion to bring that fact home to them individually. Already some agents have realized the improved conditions and are doing good work. They find it much easier to obtain applications than they formerly did, and are highly encouraged by the outlook. The field is broader than ever, and open to all. Now is the time for every agent to put in his best efforts, and by his work in the remaining two months of the year atone for his previous apathy. He may not bring his record up to that of last year, but he will get himself in good fighting trim for the campaign of 1907.

NEW LIFE POLICY FORMS.

The new forms of policy contract recently put forth by the Provident Life and Trust Company of Philadelphia have the following changes from the old form: Cash values are given yearly, commencing with the end of the second year, equal to the full reserve less a surrender charge of one per cent of the face of the policy; the policy is incontestable after one year, and thirty days grace is allowed in payment of premiums. The provision respecting cash values applies to all forms except term.

Revised forms issued by the Connecticut Mutual Life of Hartford provide for cash values at the end of any five-year period and for automatic paid-up insurance after two years. The restrictions as to

residence, occupation and suicide are limited to two years, except that military and naval service in time of war at any time is forbidden without the previous consent of the company. The policy is incontestable after two years, except for intentional misstatement as to material facts in the application. Dividends are payable commencing with the second annual premium, and if any dividends are allowed to accumulate with the company they will be credited in payment of premiums, if the insured omits to pay such premiums on their due date. A grace of thirty days is allowed in payment of premium; the policy may be restored at any time on satisfactory evidence of good health and payment of arrears with interest, while the insured has the choice of extended insurance upon surrender and the proceeds of the contract may be paid by instalments or annuities if desired.

A MAN'S INVESTMENTS.

The individual may invest his surplus funds in whatever way may suit his needs or appeal to his judgment. With him there is a wide range from the bond or stock which by reason of its superior safety yields but a small return to the property which promises a large increase in its market value. In either case the revenue is his and he will enjoy the profits or suffer the loss.

Corporations engaged in banking for the purpose of making profits for their stockholders receive the money of their depositors, frequently allowing interest, and it is used under an agreement to return it whenever called for.

In all such institutions, and savings banks, the risk of loss of the principal sum must be guarded against with the greatest care and forethought, but the rate of interest which must be received is not essential to the carrying out of the agreements.

In the case of savings banks the interest allowed to depositors may be reduced at any time when the rate obtainable on safe securities falls.

Insurance companies receive their premiums in advance and must lay aside sufficient amounts to meet the obligations they assume whenever they mature.

The life insurance company differs in several very important particulars from these institutions and the difference is decidedly in favor of the life insurance company.

The business will be a benefit if the insuring public generally understands what the difference is and wherein it favors the life company. Life agents will often find it best to treat the question largely as an investment, as a permanent investment, and the showing of the difference in the two investments to a prospect is the best possible way of appealing to him. It is even more effective than the old inducement held forth, namely, protection, for the reason that the average man cares less for protection than he does for returns on the investment.

A WARMING UP CIRCULAR.

Several years ago The Spectator Company issued a form of circular letter as an encouragement to agents which is very apropos at this time. It is as follows:

The summer is past and men of business are beginning to shake off the lethargy which always characterizes the holiday season. Insurance agents don't make much headway during the middle months of the year, for the cry throughout the commercial world is, "things are quiet," money does not change hands so freely, and consequently people have less to spend on life insurance, which, for some occult reason, is elbowed out of the category of things necessary into the limbo of things which can be attended to at any time.

If life office managers don't expect many proposals during vacation time, they do expect to make up for the slack season immediately thereafter, and experience shows that this expectation may be relied upon with a tolerable degree of certainty. The commercial, social and economic connections of the latter months of the year are favorable to agency work, a multiple of life policies will be written, and those agents who do the work will get the business and pocket the profits.

Insurance agency is like everything else; if it be played with, if it be attended to in a perfunctory manner, if proposals be expected to come

into existence spontaneously, utter failure and disappointment will be the result.

But if it be regarded as a serious business and be gone about in a business-like fashion, with energy and enterprise, money will be made by it.

We hope you will make money by it and shall be pleased to afford you any assistance in our power so to do.

If you have not any cases in view, run over your friends and acquaintances, pick out a few of the most likely, go for them and stick to them. If you want a little professional leverage to clinch a case, state the circumstances and we will see what can be done.

Read good literature such as that published by The Spectator Company and make up your mind how many proposals you ought to secure before Christmas. Reflect on the commission they will yield, not only the immediate payment, but that which the renewals will produce without further trouble, and let this, as well as the valuable service you render your fellowmen, prove an incentive to set to work at once. You will have no cause to regret the effort.

THE AGENT A BUSINESS MAN.

A certain well-known lawyer, riding into the city with the writer on the train the other morning, remarked that in these times a lawyer must be a keen business man in order to stand well up in his profession. That is absolutely true and it applies as well to the life insurance business. The successful life agent to-day must be a business man, the keener the better. He is not a peddler and he is not a book agent. He is engaged in selling the best line of securities that are offered to investors, and as such he must regard himself if he wishes to stand in his true light.

He does not approach men in other lines of business as a suppliant, but as a man of equal standing having a proposition to put forth which is worthy the other man's time and attention, and the life agent must be keen, up-to-date business man enough to impress this upon the other.

Time was when the lawyer was a sort of local character, a Bohemian, but to-day the successful lawyer is a business man. The time was when the insurance agent was regarded as an inferior being, but not so to-day. He is a keen financial agent.

SECOND SUPPLEMENT TO THE HANDY GUIDE FOR 1906.

The Spectator Company has issued the second supplement to the 1906 edition of The Handy Guide to Premium Rates, Applications and Policies. It contains copies of the new policy forms of the Connecticut Mutual Life, the Provident Life and Trust and the State Mutual of Georgia. It also presents the standard policy as prescribed by the New York law and promulgated by the Insurance Department of the State with certain modifications from the original form. By means of this supplement, subscribers to The Handy Guide have the data brought up to date. Copies of this supplement will be forwarded to purchasers of the 1906 edition of The Handy Guide on receipt of price, 25 cents per copy. Subscriptions for the three supplements will be received at 75 cents, the two already issued forwarded at once, and the third when issued early in January next. The price of the supplements to non-subscribers is 50 cents per copy. Address all orders to The Spectator Company, 135 William street, New York.

INSURED FOR FIFTY YEARS.

There is a railroad official who has held a prominent place in his company for more than half a century who last week celebrated the fiftieth anniversary of his wedding and who is eighty-three years old.

Speaking of his vigor at his time of life, the subject of insurance having been mentioned, he said:

"I believe in life insurance, having carried a policy in the..... for over fifty years, and I now have three policies in that company which I consider the best of assets."

This man is a good example for younger men to follow and he is also a good example for agents to hold up as an argument in solicitation of business.

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ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, November 22, 1906.

A GOOD WORD FOR THE DEFERRED DIVIDEND.

By A WESTERN AGENT.

In the course of the scandals and recriminations which have attended the investigations of life insurance companies within the last year the deferred dividend has become so blackened and besmirched that one hesitates to say a good word for it. It has been reviled on all sides, often by its former friends, and it is perhaps regarded as one of the worst evils in the insurance business. So low has it fallen in the public esteem that some companies have voluntarily discontinued its use. The magazine and newspaper writers have fallen upon it like beasts of prey, and one skillful word painter has drawn a vivid picture of the sufferings which policyholders used to undergo in the days when the full tontine compelled them to lose everything if they lapsed.

But history has assured us that some good thing did come out of Nazareth, notwithstanding the Jews' poor opinion of it, and perhaps the deferred dividend may show an occasional white spot on its blackened escutcheon. At any rate, I have in mind a touching and somewhat dramatic little story which furnishes one more proof that the devil is never as dark as he is painted. I had charge of our office correspondence when this little drama was enacted, and the other day while looking through an old letter copybook, I came upon a name which brought the whole story back to me.

Some fifteen or twenty years ago, one Mr. W—, living in the territory covered by our general agency, applied for a life policy with a deferred dividend period. He was apparently a good risk, and the company accepted him. He paid his premiums regularly and so conducted himself that we were never asked to investigate his habits, so far as I remember. But he had either made false statements in his application or weaknesses overtook him later, for he developed into a hard drinker, and permitted his business to go to ruin. Finally, he left a power of attorney with a friend, mysteriously disappeared, and so far as I know, was not heard of again for seven years. The dividend was nearing maturity when he disappeared, and as his wife was the beneficiary, she somehow managed to pay the ensuing two or three premiums. But the worry and uncertainty killed her, and she died without learning her husband's fate. Her only child, a daughter, was left penniless and was compelled to support herself. Under the law, or at least as the company interpreted it, she could not touch the policy as long as she could not establish a claim. She desired to keep the policy in force, but she was unable to pay the premium herself. Just when it seemed that the policy must inevitably lapse the company sent us a "notice of choice" and settlement papers, which showed that the dividend had matured. But one thing could be done with the dividend. Under the rules of our company, if a policyholder does not make a choice of the options offered him within a stated period the company will apply the accumulated dividend to the reduction of future premiums. The dividend in this case amounted to over \$800, and it was sufficient to pay a number of premiums. The daughter availed herself of this fund, and I shall not readily forget the pleasure which I received from being able to help her in her extremity. Each year she notified us that she was still unable to pay a premium, and

we watched the dividend dwindle until only one more premium could be paid. At the last moment news came of the father's death in a distant State, and the daughter came into possession of \$5000.

Now, if this father had been wise and strong, in which case his family would never have been reduced to desperation, he would have taken an annual dividend policy. He would then have had control of his dividends, would not have risked losing them by death or lapse, and by purchasing additions could have accumulated the extra reserve fund for the payment of premiums just as conveniently as he could have done under the deferred dividend method. But he was neither wise nor strong, and if he had taken an annual dividend policy it is almost superfluous to say that he would have used the dividend to reduce the premiums, and when he disappeared the policy would have lapsed. His daughter would then have received simply the paid-up value of the policy. But he applied for a deferred dividend, because that was what the agent talked. He contracted to pay a regular premium each year, and he could not afterward alter the contract. In spite of his own degeneracy and ruin it proved to be a wise provision for his family. If he had deliberately put by a trust fund for the payment of future premiums in a day of possible emergency, he could not have acted more wisely as it turned out. Let us give the deferred dividend credit for the good that it does do.

I seem to recall the case of a man who condemned the whole institution of life insurance because beneficiaries might be tempted to plot murder in order to realize on the policies. The present arguments against tontine have no sounder basis than has the view of this narrow man. It is true that an annual dividend policy, under which the dividends are used to purchase additions, serves all the purposes of a deferred dividend policy, but here again we are begging the whole question, for policyholders as rarely tie up their dividends voluntarily as they voluntarily apply for insurance. I wrote a letter to our actuary on this subject a few years ago, which is so much to the point that I will venture to quote a part of it:

"It is interesting to notice the manner in which policyholders use their annual dividends. But a small proportion purchase additions. On the first page of our January report fifty-two policies are entered. Thirty-six of these are using the dividends to reduce their premiums and three are purchasing additions. Of the remaining thirteen, ten are tontine and three are term policies. I find also by an examination of our records that when the deferred dividends mature they are almost always taken in cash. I am so much accustomed to sacrifices of this kind that I always expect a policy to be surrendered when it matures, and am surprised when it does not. We always advise our policyholders to use their annual and deferred dividends to purchase additions, but they seldom follow our advice. The love of immediate cash is so great in human nature, that if a policyholder has an endowment maturing for its face it is much easier to induce him to take a new policy than it is to keep the old. The increase of age is nothing, and even a bargain does not appeal to him at such a time. He will cheerfully contract to pay \$25.00 or \$50.00 annually for a new policy if he can just get his hands on the \$1000."

I dare say that the records of all insurance companies would tell the same story. Men will not rightly use their dividends for the same reason that they will not voluntarily apply for insurance; namely, for the reason that they have no appreciation of what they might purchase. It is the pressing and insistent interest of the solicitor which makes men insure, and the same thing will cause them to use their dividends wisely. Whenever an agent explains the dividend options and insists that an annual addition, a full-paid addition, or a deferred dividend is the right and proper thing to apply for, the policyholder generally yields to him. It is when the "notices of choice" are sent through the mails and the policyholder is left to himself that he begins to cash in his assets. For this reason the agent is usually urged to assist a policyholder to make his choice whenever he can possibly arrange to do so.

The self-appointed critics of life insurance companies and methods of applying dividends do not write five lines without betraying the fact that they assume that men fall over each other in their hurry to apply for policies, and they thus begot the whole issue. They ignore the constitution of human nature, and so do not discuss the question on its merits. I grant that the officers of some companies have had larger opportunities for self-aggrandizement because of the accumulated dividends under their control, but I am absolutely certain that they would have found other ways of accomplishing their purposes if they had been unable to appropriate the dividend fund. The trouble was in the men and not the method. Even the magazine writers have admitted that some companies have managed the accumulated dividends with fairness, and that the results have not been wholly unsatisfactory. But because men have been weak and selfish the method must perish. Deferred dividends sooner or later must go, and all because corrupt men have mismanaged them.

The astonishing estimates which were usually made for tontine policies is another charge against them. This also fails to reach the root of the question. Solicitors have found the average man so hard to move that they have been absolutely driven to make large promises. The ordinary man is as cold as a stone at the idea of earning three or four per cent interest in a safe investment, and he is so insanely optimistic that he will seize the slightest excuse to hope for miracles. When P. T. Barnum asserted that the American people love to be humbugged, he simply meant that every man wants a basis, however slight, for large expectations. And if there is anything in the world that demonstrates the utter fatuity of men it is the taxation of life insurance companies. Grant that they ought to be, what causes them to be taxed? Simply this: That legislators are such imbeciles that they think that by taxing insurance companies they are crippling a public enemy which has sources of unimaginable wealth at its command. In reality, if they carry policies, they are simply legislating money out of their own pockets with every law. In dealing with such materials it can hardly be expected that the solicitor will develop perfection, and whenever he finds it impossible to make large estimates of deferred dividends, the public will force him to hint at large profits from other sources.

Such are a few of the things which I would say on the deferred dividend question. I am not specially attached to that method of applying dividends. If I were taking a policy now I should probably not make it a tontine, but I believe in fairness, and this method of using dividends has seldom been treated with justice.

LIFE INSURANCE COMMENT

There is no cessation apparent in the industry of establishing new life insurance companies in the United States, the latest count showing that thirty-two new legal reserve organizations have received licenses during the current year, while there are about forty more on the stocks. The complete list now authorized embraces 139 companies, less than one-third of which are doing business in New York State, and are thereby subject to some or all of the Armstrong laws. The recent addition of four companies to the list of Indiana organizations places that State at the head so far as the number of life companies is concerned, there being now seventeen Indiana organizations (with still others being formed) as against sixteen in New York, which State has long held the lead in this respect. No less than forty States and

territories now have domestic life insurance companies, and in nearly all of them the strongest plea for patronage is made on the ground of keeping policyholders' money at home. Few attempts have been made to establish new companies in the Eastern section of the country, with the exception of Pennsylvania, but the South and Far West have been unusually prolific, and it is feared that a few States have gone to extremes in this regard. A large majority of the new companies have been organized with capital stock ranging in amount from \$50,000 to half a million, owing doubtless to the fact that few States permit of the organization of mutual companies. While the amended law in New York permits of the establishment of a mutual company, no attempt has been made to take advantage of the provision, and the few companies projected there have made arrangements to provide a capital stock at least equal to the minimum amount required.

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On the first of January next all companies operating in the State of New York will be subject to the operations of the insurance law, as amended by the Armstrong committee last winter. There is much uncertainty as to how some of the sections will work out in actual practice, and several of the foreign companies are, as it were, on the fence regarding the probability of their continuing operations in the State. Thus far but one company has announced its determination of withdrawing from the State, and that company has never transacted a large amount of business within its borders. While no concerted plan of action has been outlined by the foreign companies, it is understood that a conscientious attempt will be made to comply with all the conditions, and if it is found at the close of the year that strict compliance has been impracticable, a withdrawal from the State will follow, prior to the time for filing the annual statement. As matters stand at present no company official is able to say whether or not the laws are practical, particularly those relating to the limitation of expenses, and while they are willing to give them a fair trial the experience of a year will be necessary to determine their actual working. The discrimination against New York companies will in all probability make their work more difficult, for they will have working side by side with them the foreign companies unhampered by the standard policy forms, able to write either participating or non-participating forms, and not restricted in the amount of new business they can accept so long as they do not exceed the expense limit.

* * * *

It is evident that from now on there will be a more vigorous effort to push the claims of non-participating insurance. New York companies must hereafter issue either participating or non-participating insurance, and not both, whether they be possessed of a capital stock or not. The five mutual companies of the State will, of course, adhere to the participating plan, while the ten stock companies, so far as their plans are announced, are equally divided between the two forms. The Equitable, Germania, Home and Manhattan will write participating business, while the Metropolitan, Provident Savings, United States and Washington will issue non-profit-sharing contracts. The Bankers and Life Association of America, which are closely allied in management, will probably also choose the non-participating plan. Of the foreign companies, the Mutual Benefit has already announced that after January 1 the non-participating contracts will be withdrawn, while the Travelers has decided to return to its old plan and hereafter issue nothing but non-participating forms. In this connection the Travelers, through its president, says: "The oppressive competition that made it necessary three years ago for the Travelers to write participating contracts for those of its patrons who desired them, has been modified by public sentiment and legislation. It has been and will be the purpose of the Travelers to furnish its policyholders and those depending upon them with the greatest amount of protection for the premiums paid. No form of insurance can accomplish this better than non-participating." With estimates of probable dividend results abolished and with the competition narrowed to the annual dividend plan as against the non-participating, matters will be made much simpler for the person being canvassed for life insurance, and he will be able to grasp the subject much more intelligently than when the principal talk of the agent concerned investment and estimated future results. This phase of the amended laws will assuredly work to the betterment of the business as a whole.

YEAR END REBATES.

The high pressure under which life agents have been required to work during past years to make up the amount of insurance written that has been assigned to them by the companies, having been removed, a death blow has been struck against year-end rebates. It has been the vogue in previous years for agents who were working for the bonuses offered by the companies, and were short of the amount required to secure them, to give rebates towards the close of the year to the extent of from eighty to one hundred per cent of the premium, and out of this grew a class of "rounders," who would take a policy and the rebate in one company, drop it at the end of the year and take a rebated policy in another company the next year, thus carrying their insurance for almost nothing. In New York and other large cities this practice grew to an extent that led intending insurers to expect a rebate at all times. This year, however, the business has returned to a normal basis; there are no bonuses or prizes to work for; the pressure on the agents is less, and the public is learning that life insurance can only be had at "list prices," with no discounts and no rebates. This is better for the companies, the agents and the public. If a policy of life insurance in a good, trustworthy company is not worth par, then the experience of many years goes for naught. The indications are that the agents are hustling for business as actively now as they did under the high pressure rule. A gentleman showed us three letters he had received in one mail from agents of three different companies soliciting an opportunity to explain the special policies they were offering, and two other agents had called upon him personally for the same purpose. Personal interviews are persistently sought by enterprising agents, and their present activity is in marked contrast to their apathy of a year ago. The public has recovered from the recent shock of sensationalism, and is better informed regarding life insurance than ever, and consequently in a mood to listen to its advocates. This renewed energy on the part of agents and solicitors is meeting with its just reward in the shape of an increased volume of insurance written. The incentive to rebating having been removed, agents can now enjoy the full benefits of their work, not being called upon to divide their commissions with their customers. There are, of course, sporadic cases where agents in competition have recently given rebates, but these are reported to be rare. The practice is universally condemned by all insurance men, even those who have practiced it being loud in their denunciations of it. Under the new law, which restricts the amount companies may pay for new business, rebating bids fair to become entirely obsolete. The companies always had it in their power to prevent rebating, but having failed to do so voluntarily, the law steps in and virtually compels them to limit the compensation to agents to an amount that precludes the possibility of rebating without a personal sacrifice on the part of the agent, which would leave him without payment for his labor. With rebating abolished, the business will be rid of one of the greatest evils with which it has been afflicted.

THE NEED OF LOOKING AHEAD.

The present prosperous conditions of business throughout the country do not, it seems, operate entirely to the best advantage of the people, especially to the families of men of moderate incomes, such as salaried men. In other words, the present prosperity jeopardizes the future safety of dependents—women and children who may be left through death without the means of support.

A well-known life agent brought up this point in conversation with the writer a few days ago, and said that people who need to provide for the future most are now earning so much money and earning it so easily that they become reckless and almost wholly disregard the real responsibilities which rest upon them.

As to the future, either of themselves or their families, they give little heed. It is now the people of means, of large incomes who have large interests and estates to safeguard who patronize the life insurance companies most frequently.

The improvident who lives very largely from hand to mouth, and who is making a good income easily, thinks more of enjoying himself and living from day to day than of securing the future security of his

family. Consequently, he says, "O, I am all right, I am getting along well; times are good and always will be. What's the use? I believe in enjoying life and not worrying about the future. The country is too big, there will never be hard times again. My prospects are good, and I shall be able to save enough, too, by the time I have to die, to provide for my family."

This tendency is one which it requires a great deal of hard, good and strong argument on the part of the agent to overcome. The tendency of people now is toward extravagance, toward excessive luxury, and, as usual, it is the most thrifty part of the community which looks ahead and not the class which needs to look ahead the most.

GUARANTEED ANNUAL CASH VALUES HELP HOLD BUSINESS.

It has often been argued that the guaranteeing of annual cash surrender values weakens the grip of the company upon the business on its books; and this argument has been urged in support of the plan of guaranteeing cash values every five or ten years by companies following that method. While it may be true that some business goes off the books under the annual cash value system which might have been retained under policies having less frequent cash value periods, there are conditions under which the five or ten-year cash value period policy is surrendered when an annual value policy would be kept in force.

Thus, a man holding a policy upon which the cash values begin at the tenth year, and are guaranteed by five-year periods thereafter, has, we will suppose, paid fifteen premiums. In looking ahead he sees contingencies under which he would desire to utilize the accumulated reserve on his policy. If it carried annual guaranteed cash values he would keep it in force until some emergency required him to surrender it (and such an emergency might never arise); but as no cash surrender value is guaranteed between the fifteenth and twentieth years, he surrenders the policy at the end of its fifteenth year, in order to be prepared for emergencies, and probably substitutes for it a policy bearing guaranteed annual cash surrender values. It therefore appears that, although there are probably instances in which the annual values tempt their holders to surrender policies, there are others in which policies with longer cash value periods are surrendered when they would, in all probability, have been kept in force indefinitely had they borne annual guarantees.

THE TRAVELERS NEW POLICIES.

In returning to the straight non-participating plan the Travelers Insurance Company has revised its several policy forms and will hereafter issue three distinct lines of contract. The uniform premium contract is the same as the present non-participating form, with the same rates except for the older ages, where slight increases are made. The premium reduction policy will be issued with guarantees of $3\frac{1}{2}$ per cent and 3 per cent. These forms provide for a higher premium in the first year with a guaranteed reduction thereafter. The guaranteed dividend can be used either to reduce the premium payments or applied to purchase paid-up additions. If the insured makes election within one year from the issuance of the contract to apply all the guaranteed dividends to the purchase of additions, the company will guarantee the amount of such additions as payable at the end of a specified period.

All new policies of the company will contain the disability clause providing for the payment of all remaining premiums, in case the insured becomes totally and permanently disabled by accident or disease. Any payments made under this clause are not charged against the policy, except under ordinary life policies, where, after age sixty, the clause becomes operative and the premiums are charged against the contract but without interest. All contracts will contain the trust provision permitting of the payment of the face of the policy in instalments, and $3\frac{1}{2}$ per cent interest is guaranteed on unpaid instalments.

If a man behaves himself for thirty-nine years, you can safely wager that he will continue to do so for a few years longer. How about a life insurance company? Is it not worthy of equal confidence?

PRESENT INSURANCE PREMIUMS NOT UNNECESSARILY HIGH.

F. E. McMullen, president of the National Association of Life Underwriters, at a recent banquet by the Pittsburg association dealt with the above subject. Parts of his address are presented herewith:

Just now there is a popular misapprehension, indulged in to a considerable extent by the public, who have taken but a superficial view of the matter, that present premium rates charged by old line companies in this country are too high. This misapprehension is based upon mere surface indications, the natural outgrowth of recent investigations. It is not borne out by real facts, nor will it be sustained by more enlightened and sober judgment. Decisions based upon incomplete knowledge are almost certain to be faulty. Such extravagance and waste as was disclosed by the Armstrong investigating committee is largely responsible for the erroneous impression that present rates are unnecessarily high. Reports of fabulous salaries paid to officers, high commissions paid to agents, political contributions, "yellow dog" funds, etc., heralded broadcast by sensational journals, have made it appear that a relatively tremendous amount of money was wasted. Yet the companies under investigation were found to be absolutely solvent. It is this combination of facts that has led to the faulty conclusion that present rates are unnecessarily high. * * *

It is an axiomatic principle, highly developed, that open, unrestrained competition regulates prices; and I submit that there is no business extant more sharply competitive than life insurance. Combination or consolidation of companies to control the market and put up prices is absolutely impossible in our business, because of the very nature of our institutions. Almost without exception, our companies, whether mutual or stock, are profit-sharing; that is, the policyholders share in the earnings. In the case of a stock company issuing profit-sharing policies, the rate of dividend payable to the stockholders is limited by law to a fair return for the security afforded by the capital invested. In the case of a purely stock company, issuing only non-profit-sharing policies, the net cost and general benefits to members must compare favorably with those received by members of purely mutual companies if the stock company would continue in the confidence of the public and obtain its share of patronage. Hence the success of a life insurance company, whether stock or mutual, depends entirely upon its ability to furnish safe insurance at the least possible cost consistent with absolute safety. What better motive could be inspired by legal enactment or otherwise to keep rates where they belong?

The fundamental reason why premiums cannot be much reduced is, that life insurance is more than a business; it is a science—a science of world-wide application, founded on nature's laws of life and death. Man's death-rate and the rate of interest on money are the two factors which absolutely fix the net premium, at the sum which will exactly enable a company to pay all claims as they fall due in the long years to come, without allowing one cent for expenses or unforeseen contingencies of any kind. That net premium is required not only by the science, as practiced all over the world, but also by the laws of our States. The whole legal reserve system, whose solvency has been so splendidly demonstrated, is based on that net premium.

Now, that net premium (on the 3½ per cent interest basis generally adopted) is just 28 per cent less than the average full premium of \$27.70 for an ordinary life policy at age thirty-five, above quoted. And the difference or expense loading is much less on limited payments, endowments and other popular policies. Where some people have foolishly talked about 40 per cent or 50 per cent reductions, we now see that to cut the total premiums by even 25 per cent would scarcely leave the required net premium itself, without providing a cent to pay State taxes and Insurance Commissioners, let alone such minor matters as office rent, postage, salaries, medical fees, commissions, etc., and to say nothing of all the contingencies of epidemic, financial panic, lower interest rates, etc., etc., which alone demand a broad margin to make the insurance sure through all the years to come.

You see life insurance differs from other insurance and other business in fixing its prices to run 30-50-70 years into the future, with no right to change it, no matter what happens. The premium must be made ample in the first place, or never.

Present rates cannot be reduced without impairing our well-earned standard of solvency. The New York law, while doubtless intended to decrease premium rates, is really more likely to increase them; because its peculiar limitation of expenses leaves still one way open whereby a company may use a larger part of the premiums for expenses. That one way is, by increasing the premiums themselves. If they are not increased, it will be wholly due to the effect of competition offsetting this temptation of the new law. * * *

REGISTER FOR LIFE INSURANCE.

There is an instructive analogy between the duty of registering and voting and the duty of applying for life insurance and in paying for the policy when it is issued. The first is one's duty as a citizen; the second is one's duty as a husband and father. If the citizen does not register he cannot vote; if the husband and father does not make application he can never be insured. It is necessary to exhort good citizens to do the first; it is necessary to urge good husbands and fathers to do the second. There is danger in both cases that men will neglect their duty until it is too late. Registration days are fixed by law, and one may know just when they will end, but the days when one may be accepted for life insurance are not fixed, but may end at any time. Something may happen in either case to prevent a man from doing what he fully intended to do; hence in both cases one should act promptly.

Can a man be a model citizen and neglect to do what he can to secure good government? Can a man be a model husband and father and neglect to secure the protection to his family and estate which life insurance provides? Is not the newspaper that urges its readers to register and vote doing a real public service? Is not the life insurance agent

who urges men to insure doing a real service to every one whom he insures? The citizen may register and vote at every election, and yet his party may never win; but the man who insures wins every time. He gets the protection he sought, while the citizen may not get the good government he seeks, though he does his full duty as a citizen.

We make much of the duty of the citizen, and we do well; but a failure to do one's duty as a citizen does not have such serious consequences as does the failure to do one's duty by one's family. There are many citizens and but one country, and while one party always loses, the State survives; while there is but one head to a family, and if he goes wrong everything goes wrong. A party may lose the votes of many of its adherents, and still win the election, but the family that is not protected by its natural head goes without protection. The party that loses the election by the neglect of its members lives to do better next time, but for the family that loses its support by the death of its natural protector, there is no next time.—The News Letterette.

"WE CAN IF WE WILL."

The minister of a New York church preached a powerful sermon the other day on the above text in connection with a plea for contributions to foreign missions.

Samuel J. Miller uttered the words "We can if we will," a hundred years ago at a meeting held for the purpose of seeing if it were possible to extend the operations of home missionaries into foreign fields. You can imagine what obstacles confronted such an enterprise at that early day. People thought his plans impracticable. They told him and his companions that the seas were too broad and the dangers too great; that they would find the doors of foreigners locked, bolted and barred against them. Yet Samuel J. Miller persisted. He was an optimist, an enthusiast. To all objections he repeated over and over again the same phrase—"We can if we will."

The thought and spirit injected into that meeting a hundred years ago by Samuel J. Miller took root, grew and bore fruit. We all know that to-day foreign missionary operations are successfully conducted on a large scale by almost all churches in practically all lands.

This text applies to ourselves. The same determination, "We can if we will"—is a tremendous factor in every line of work. In life insurance canvassing such a spirit is a mighty force. No one can hope to accomplish much in the world without that compelling enthusiasm—that determination which stirs his whole being into action. In life insurance men have seen this demonstration so often it has come to be a maxim that what a man wills to do he somehow, somehow, manages to get around and do.—Thos. A. Buckner.

THE INSURANCE OUTLOOK.

Why is it good and promising for the near future? Because in the last decade field work has become demoralized through high-pressure methods of both companies and agents. Rebating has been rampant, resulting in the punishment of the policyholders for the wrong doing of agents and company managers. No company has ever yet discovered how an agency force can be maintained, if it gives away that to which it is entitled, unless it be maintained at the expense of policyholders. This condition is now practically history. New conditions have arisen which mean fair and proper compensation for services rendered, but waste has been or is going to be stopped. To this no honest man can take exception. It means some readjustment, but to the advantage rather than the disadvantage of the productive agent. The insurance world is not coming to an end. It is moving forward. The volume of business may not be equal to what it has been—probably will not be this current year; but the quality will be better, and the field earnings will have been divided among a less number of agents than heretofore, with a corresponding increase to each. The educational work in life insurance has not all been done; much of it is yet to be done. The fact is, however, eliminating impressions made by the one-sided newspaper reports, the public is in a more comprehensive mind than ever before. By the use of diplomacy and energy, interview daily say half a dozen men who are making money. If you have not done so, try it and see the result.—The Fidelity Bulletin.

INSURANCE FOR PROTECTION.

It is a good thing to present to men who entertain somewhat selfish views the form of policy which provides income and returns to the insured while living, but generally speaking, no agent can make a mistake by concentrating his force and energy in presenting insurance for protection. That is, after all, what men take it for. In recent years, too much prominence has been given to investment and even speculative features. The mind not only becomes diverted, but somewhat perverted. Stick to insurance for protection. Have foremost in your mind what it signifies to the man who has assumed the responsibilities of a family, who has unmatured business obligations, who has a business not fully established, and who needs the protection which a policy of insurance affords. There is nothing wrong now, and never has been, with insurance that is designed for protection. This can be sold in such a way that there is nothing speculative about the surplus.—The Fidelity Bulletin.

Life insurance is a part of the warp and woof of our business and social existence. Its need is universally admitted. No longer do we hear the question raised, should men insure their lives, but rather do we hear condemnation for those who have crossed to the unknown without leaving behind them sufficient life insurance to care for those dependent.—W. H. Reed.

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, December 6, 1906.

THE STATE DEPARTMENT'S LIFE BLANK FOR 1906.

The various insurance departments throughout the country are now sending to the several life insurance companies the blanks on which the annual statements for the year 1906 are to be made up. Companies operating in New York have been placed in possession of two parts, the first covering the requirements as adopted by the National Convention of Insurance Commissioners, while the second embraces such schedules required under section 103 of the New York law as are not included in the uniform blank. An examination of these blanks, with their various schedules, indicates that the companies will have their hands full in making up their statements in the two months permitted them by the laws of the various States. No other form of business enterprise is subject to such a searching form of investigation as these blanks indicate, and it is questionable whether or not any good purpose is to be served by the presentation of such a vast amount of data, amounting practically to a transcript of the books of the companies. There can be no objection to a reasonable amount of publicity, but when it is carried to an extreme, as in this instance, the probability is that the law will defeat its own purpose, and make the transaction of business more difficult as well as more expensive to the companies to the detriment of the policyholders. The chances for misrepresentation of a company's plans and results are increased by these requirements, and there will undoubtedly arise cause for deep complaint as competitors get busy with the data placed at their disposal. Thus far no insurance department has indicated how far it will go in publishing the data furnished, but the complete statements being on file in a public State office will be accessible to whoever wishes to use them for his own advantage.

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Part A of the New York blank starts off with the cash balance sheet covering income and disbursements for the year. This differs but slightly from the statement of 1905, and requires full details of every item of income and disbursement. The schedule of assets is practically unchanged, but provision is made for a showing of cash on deposit at interest and that not earning interest. Under liabilities the companies are required to state separately for years and classes the amounts set apart or provisionally ascertained or calculated or held awaiting apportionment upon deferred dividend policies. The special reserves and surplus funds held are also to be stated separately and their purpose given. Owing to the law limiting the amount of new business a company may write, the New York Department will this year demand the policy exhibit to be made out on the paid-for basis, otherwise that exhibit is unchanged. The first new schedule called for is one covering deposits other than statutory deposits made with any government, province, State, district, county, municipality, corporation, firm or individual. The real estate schedule is elaborated, and in addition to the cost of the property and the figures relating to its maintenance must show the date acquired and the Superintendents' certificate of extension for its holding. Parts two and three of this schedule call for statements regarding the real estate purchased and sold during the year. Schedule B covers the mortgage investments, the new feature being a classification showing the total

amount of mortgage loans on real estate in each State and foreign country. In schedule C the collateral loans are given, while D in two parts covers the bonds and stocks held. A new schedule is E, which must show the largest balance carried in each bank or trust company during each month of the year. Schedule F is also new, and calls for a statement of all death claims resisted or compromised during 1906, with the reasons therefor. Schedule G shows the salaries, compensation and emoluments of whatever amount received by officers and directors and, where the same amounted to more than \$5000, by any person, firm or corporation, while H calls for the salaries paid in 1906 to any representative, either at the home office or at any branch office or agency of the company, for agency supervision.

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The Gain and Loss Exhibit occupies two whole pages of the blank, no less than 125 items being called for. There is a distinct cleavage made of the profits arising from insurance sources and those made on the investment side. On the insurance side the general headings are running expenses, interest, mortality, annuities, surrenders and lapses, dividends, special funds and profit and loss, excluding investments. The investment exhibit will show results of investments sold, investments purchased, investments held and surplus. Following this section come interrogatories regarding new business and general interrogatories regarding gain and loss exhibit. On comparing this form with that previously in use it becomes evident that all estimates of results are eliminated as far as possible, for under each sub-division there is grouped every possible item which enters into the result, so that there will be no opportunity for one company to force a balance on one item while another selects a different item to make its balance come out properly. In the general interrogatories the companies are asked if they value on the full level premium reserve system, the preliminary term, the modified preliminary term or the select and ultimate basis, and to give the proportion of the total business under each. If the companies use more than one table of mortality and one rate of interest in the valuation the amount of reserve under each different basis must be stated. Where a company issues both participating and non-participating contracts the amounts of insurance in force under each plan is also called for. If there is any value at all in a gain and loss exhibit it is well to have every facility afforded for its accurate compilation, and there seems to be no criticism of the blank on that score. The main objections to its use by wrong deductions being made, however, as explained in the comments in another column by H. J. Messenger of the Travelers, still remain.

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Following the Gain and Loss Exhibit are a number of formidable schedules dealing with dividends paid and apportioned. The first of these deals with annual dividends, and calls for the rates of annual dividends declared (paid) in 1906 and annual premiums per \$1000 of insurance at ages 25, 35, 45 and 55 at date of issue. Fifteen specific forms of policy are named and lines are left for other forms. These dividends must be shown on existing policies issued back to 1876, as well as those existing and issued at intervals of five years prior to that year. Similarly complete information is called for on deferred

dividend policies maturing in 1906, whether having a five-year, ten-year, fifteen-year, twenty-year, twenty-five-year or thirty-year dividend period, the five-year policies to show whether they are in their first, second, third or fourth period. Schedule K calls for the amounts set apart or provisionally ascertained or calculated in 1906, or held awaiting apportionment on policies with deferred dividend periods longer than one year, and annual premiums per \$1000 of insurance at ages 25, 35, 45 and 55, the schedule being sub-divided so as to show the results as of each year of issue, and for the different forms of contract. In addition to making out these dividend schedules the companies are also required to attach an explanation showing precise methods by which dividends were calculated. The foregoing describes the blank which is to be filled out by all companies in the several States in which the departments have agreed to follow the uniform blank, and that means a majority of the States of the Union.

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Part B of the blank is supplied only to companies operating in New York State, and contains numerous schedules required under the provisions of section 103 of the New York law. They are as follows: Schedule of collateral loans in existence at end of year 1906, (1) loans which were in existence at beginning of 1906 and (2) loans which were made during 1906; schedule of collateral loans discharged during 1906, (1) loans in existence at the beginning of the year and (2) loans made during the year. The particulars called for under this schedule include the name of the borrower, date of loan, maturity of loan, rate of interest, amount of loan and a description of the collateral. Other schedules call for the expenses paid for commissions on loans or on purchase or sale of property, legal expenses paid during 1906 in detail, all property (not included in real estate, mortgage loans and collateral loan schedules) owned by the company, or in which it has any interest, including all securities, whether or not recognized by law as proper investments, also all purchases and sales of property (other than real estate) made during 1906; all expenditures in connection with matters before legislative bodies, officers or departments of government during 1906, and, finally, proceedings at last annual election for directors or trustees.

WORKING AMONG OLD POLICYHOLDERS.

BY A WESTERN AGENT.

An eminent scientist has said that our environment encourages us to be partisans rather than philosophers. I suppose he means by this that our limitations compel us to be interested in the virtues which a thing may possess for us, and prevent us from seeing or being interested in general or universal virtues. At any rate, we have a tendency to feel that the thing which is of no use to us is of no use to anybody, and if it is useful to us, we regard it as almost the best or the most useful thing in the world. I never pass a window in which typewriters are displayed without reflecting that the salesmen of those particular machines must believe them to be the only machines, and I never talk with a stenographer without being confirmed in this. The young lady who is accustomed to a visible writing machine thinks that nothing is to be compared with it, and the young man who has a temperament that requires a light touch insists that but one kind of a machine exists for him. It is the same with our doctors and preachers. A strange doctor is no doctor at all for us, and our own pastor is incomparably the best in the world. The life insurance companies that we hold policies in or solicit for are the only real companies. I have been associated for sixteen years with a company that insistently advertises its merits. It believes in letting its light shine, and it does not hesitate to assert that it is the best company on earth. It has trained its agents carefully in this doctrine, and it has accumulated a mountain of evidence with which we may prove the point. If I did not have to write for the encouragement of solicitors of all companies I should be the rankest partisan on earth, I suppose. At any rate, I distinctly recall that when I used to read such signs as the "Mutual Blank Company of New York," or the "Dash Company of New Jersey," or the "Blank Company of Massachusetts," I sincerely wondered how any mortal could be so deluded as to take an interest in those companies. They simply were not life insurance companies to me, and it seemed strange that any one could consider

any company but the "best on earth," the one I was so fortunate as to represent. If I had outgrown this tendency to regard my own company or my own things as the best, without learning that everybody else is subject to the same delusion, I might have been somewhat discouraged with myself. But, fortunately, both science and observation have taught me that human beings are "all in the same boat" in this respect. It is simply superfluous to preach to an agent that he must regard his business or his company as the best. If he solicits and succeeds, he will inevitably reach this condition of partisanship without suggestions from others. It is apparently an impossibility for us not to feel that the contents of our tiny worlds, our callings, our possessions, our associations, even the materials we work with, are not the finest which the universe affords.

"I have spoken thus much," as a Shakespearian heroine once observed, to illustrate a tendency of human nature which a solicitor should not fail to turn to his advantage. It naturally raises the question, who are such good prospects for insurance as old policyholders? The man who does not carry a policy would theoretically appear to be the best prospect. He has what is generally recognized as positive and unmistakable need, and I have known beginners who rather leaned toward soliciting uninsured men and avoided those who were known to carry policies. But the man who has no insurance has been able to get along without it, and may reason somewhat like the little boy who disliked to say his prayers. He announced to his mother one evening that he did not intend to say his prayers that evening, and if he passed the night safely he would omit them the next evening. If he got through a second night safely, he would thereafter omit them altogether. The uninsured man has an experience to which he can appeal. He has never suffered from being unprotected or it is probable that he would not be in that condition. If he has always gotten along without insurance, why may he not continue to do so? In all earnestness, some such feeling is likely to possess the uninsured man, and I think I may say that it is the general experience that the first policy which a man takes is the one which gives the solicitor the most worry. But the insured has also an experience. After having applied for a policy, gotten it into his possession, and paid a few premiums on it, he comes to feel that he has not only one of the best things which man has devised, but that he has the best article of that particular kind. He no longer needs to be preached to about the merits of insurance. He concedes everything the agent asserts and goes him one better. If he resists at all, it is on the ground that he is simply not able to pay the premiums, and if an agent can remove this objection he is nearly always sure of another application. It is not necessary to be absolutely accurate on this point, but I may say that the uninsured man has almost always given me a cold reception, and I have seldom called upon an old policyholder without his greeting me with the statement that he would take out another policy if he could. Whenever I visit our old policyholders, they always inquire about the new plans which have been developed, and figure carefully to see if they can add to their line. Upon one occasion, when I had just insured a gentleman for a \$5000 twenty-year endowment and had collected a delightfully large premium, he immediately began to talk more insurance. "If my business grows as it ought," he said, "I will take \$5000 more in a year or two." I doubt if I ever met a newly made policyholder but he voluntarily communicated to me his plans for taking future policies. Since this is a universal disposition, and it expresses itself in taking life insurance precisely as it does in everything else, a solicitor should keep in very close touch with the policyholders that he has written and those that belong to his company in his particular field. He can only fail to do so through ignorance or inexperience, and an illustration will show how disastrous this might sometimes prove, as well as give a further practical demonstration of the tendency in human nature which I am discussing.

A few years ago, the general agent with whom I am associated and I went to an unusually wealthy city of about six thousand inhabitants to pay a small claim. Two brothers of the deceased were also policyholders in our company, and they made numerous inquiries about the latest contracts, but decided that they were not quite ready for more insurance at the time. However, two or three of their nephews took small policies, and we then began to look over the field at large. Before doing so, however, we inquired of the brothers if they could

suggest any possible applicants. They expressed their willingness to oblige us, but feared that almost every man in the city had as much insurance as he could carry. "This town is simply overrun with insurance agents," said one. "Two or three solicitors come here every week from the capital city and write applications, and I should think that the material would be absolutely exhausted." The general agent did not comment upon the fallacy of this reasoning, but went to work among the old policyholders. It was the most heavily insured city, if I may so state it, in our entire field. I am writing from memory, but I think we had over 100 policyholders there, and they carried a total of nearly \$300,000 insurance. Several wealthy business men carried \$10,000 policies, and the general agent and I began to work upon these. My part in the proceedings was chiefly that of statement maker and subsequent historian, I will admit; but at any rate, I was there, and the general agent may have felt a little stronger because of my presence. Be this as it may, he attacked the heavy policyholders and they began to yield. In a few days, it seemed to me, that there was almost a scramble for policies in our company, and in less than a month he placed \$100,000 more in a city which was "overrun with insurance agents," and in which the "material was absolutely exhausted." Most of the policies were taken by those who were already insured in our company, and they were nearly all for \$10,000. I managed to write two or three small policies during the excitement and between making statements, and I wondered how anyone could suppose that writing life insurance was difficult.

Four things about this experience were exceptional. First, it was the largest month's business that the general agent ever wrote. Second, it was the largest month's work which any agent of our company in the United States wrote that month. Third, it was the largest month's work which had ever been done by one man in our State. Fourth, the general agent was a writer of exceptional ability. The only other exceptional item is that the applicants were already heavily insured in our company, and I have not grouped it with the other items because I wish to emphasize it by putting it by itself. The first three items could not be responsible for this large record in any way. The general agent's unusual ability doubtless was to a large extent, but the specially helpful condition was the existing policies of the new applicants. Insurance in force will not always produce unusual and happy results, but it will always make a favorable contribution toward such results, and I have described the experience because it should encourage solicitors to devote more attention to those who are already within the fold. A brief appendix may be added to the story. In two subsequent years the general agent again visited this little city and wrote more \$10,000 applications among these policyholders. He then placed the field in charge of a district agent, and the district agent took full advantage of the sinecure. He has continued to follow the example set by the general agent, and to-day eight or ten men in this small city of 6000 each carry a total of \$50,000 in our company. As I have already stated, it is the most heavily insured city in our field of fifty counties. It has money and a large number of policies in force. Otherwise there is no special reason why it should take so kindly to life insurance.

If power to duplicate the general agent's performance could be communicated in an article, I would gladly bestow it upon all who may read this, but unfortunately I cannot. I believe, however, that solicitors do not always get the full benefit of their old policyholders, and so I have written this article and described this experience for the purpose of stimulating them to greater efforts. I hope they may profit by the narrative.

HIGH GRADE MATERIAL.

The object of all advertising is to create a market and sell goods. The life insurance agent, who does much advance work by means of circulars and pamphlets, should fully realize the importance of high-grade printing, and not allow himself to put out a "sloppy" card or leaflet; for every bit of advertising matter sent out creates an impression, and that impression should always be the best. Nothing reflects the character of a business more vitally than high-grade printing.

The card, booklet, leaflet or stationary may be severely plain in its make-up; but it should have character and be done in a studied, workmanlike manner. It may be artistic if plain.

A HARD-LUCK STORY.

Here is a life insurance agent's "hard-luck" story.

"Three years ago I was induced to take a district agency for a well-known life insurance company. The first year was very encouraging in results and more so in prospects. With the second year came the trouble which brought about the investigations of certain New York companies.

"My company had, and still has, a very good reputation, and I was encouraged to believe that I could get at least as much business as I had the previous year.

"In the southern part of my State, where the territory had been steadily worked for many years, the agents were able to hold their own, but I had been somewhat of a missionary in my district. The companies under investigation had a preponderance of the insurance in force, and the people condemned all companies indiscriminately. Some months I did not sell a policy. Insured for several thousand dollars myself; I borrowed on my policies and held on. I did not give up until I had spent all my own money and borrowed what I could. This year I have had to let most of the policies go."

This is not related as an inspiring or encouraging experience, but to place it before other agents who may be able to deduce something from it which will brighten the way on account of the contrast with their own experiences, which, though possibly very trying, they were able to meet without being completely "skunked" as this unfortunate agent was.

CREATING A NEW ASSET.

"I never advise a person to withdraw money from a savings bank, or to realize upon any investment he may have, to put the same into life insurance," said a well-known agent. "Not that I do not think that taking money from a savings bank to pay for life insurance premiums would be an advantageous change; but I think a person is apt to be better satisfied if he takes out life insurance without disturbing cash savings or other investments, making other provisions for meeting the premiums.

"I think so, because if a man does not disturb the savings that he already has, he feels that he is getting ahead more when he takes life insurance, than if he had used previous savings to purchase insurance. There is a feeling that he has made a new investment, that he is so much ahead, that he not only still has his original savings safe, but that he has so many thousands more, according to the amount of his policy.

"I like to have my clients satisfied, permanently so; and my experience has been that they are better satisfied when they feel that they have created a new asset for themselves instead of converting an old one."

COMMENTS UPON THE GAIN AND LOSS EXHIBIT.

The Gain and Loss Exhibit as adopted by the National Convention of Insurance Commissioners for the uniform blank, is much more comprehensive than any form heretofore used. Every source of profit is most carefully analyzed, and there is little opportunity for estimates to enter into the showing. While the blank has been thus perfected the objections to it as a whole remain, and these are well presented in the following article by Hiram J. Messenger, actuary of the Travelers:

We assume that the object of the Gain and Loss Exhibit is to furnish to the public, and particularly to policyholders, exact, definite, complete and readily understood information in regard to the actual condition of the life insurance companies and the way in which they are conducting their business. The Travelers Insurance Company offers no objections to any requirements which will bring this about, but as the result of several years' experience we have come to a very decided opinion that the Gain and Loss Exhibit in the main is misleading in character and exerts a very injurious influence.

In the first place, the Gain and Loss Exhibit at its very best is nothing but a rough approximation, and in some cases, on account of the lack of necessary care or a competent actuary, the results cannot even be considered as a rough approximation.

In the second place, the Gain and Loss Exhibit is of such a technical character that in order to be understood it is not only necessary to have the training of an expert actuary but also a thorough knowledge of the methods and practices of each individual company. Consequently it is no exaggeration to say that not one policyholder in ten thousand is competent to interpret the comparative figures in the Gain and Loss Exhibit.

Taking up the Gain and Loss Exhibit for the calendar year 1905, and

comparing various percentages of the Travelers Insurance Company with some other company in each case we have the following:

First, the percentage of insurance expenses to loading for the Travelers Insurance Company is 169.36, while that of the Northwestern is 80.53; that is, the Travelers expense rate from this standpoint is 2 1-10 times as great as that of the Northwestern and the average policyholder seeing these figures would at once conclude that the Travelers scale of expenses is more than twice as great as that of the Northwestern, and he could not be blamed for drawing such a conclusion because he does not know that the Northwestern's policies are loaded on the average more than 25 per cent, while the Travelers policies are loaded less than 11 per cent. That is, the excess amount above the net premium which the Northwestern's policyholder is charged is more than 2 1-5 times as great as the amount which the Travelers policyholder is charged, and consequently this ratio of expense to loading of 169 per cent for the Travelers as compared with 80 per cent for the Northwestern is not due to the fact that the Travelers Insurance Company is conducted on an extravagant scale, but is due to the fact that the Travelers premium is very much lower than in the case of most other companies.

Second, the percentage which the net investment earnings less investment expenses is of the interest required to maintain the reserve gives 121.21 for the Travelers, while for the Equitable of New York the figures are 139.95. The ordinary policyholder in seeing these figures at once concludes that the Equitable is earning a higher interest rate than the Travelers. As in the first case, no one can blame him for drawing any such conclusion, but the fact is that in 1905, on the basis of mean admitted assets the Travelers realized an interest rate of 4.74 while the Equitable realized only 4.21. What then is the explanation of the figures in the Gain and Loss Exhibit? Simply that the Equitable has an unapportioned deferred dividend surplus of many millions, and in calculating the interest required to maintain the reserve the interest on this unapportioned deferred dividend surplus was not considered, but in calculating the amount of interest actually earned the company did credit itself with the interest on this unapportioned surplus. The real situation then is understood only when one has a technical knowledge of the way in which the interest required to maintain the reserve is calculated and also the special information about the Equitable's deferred dividend surplus. Of course the average policyholder knows nothing about either.

Third, the ratio of actual to expected mortality as given in the Gain and Loss Exhibit for 1905 shows 94.11 for the Travelers and 52.74 for the Provident Life and Trust. One would naturally conclude from these figures that the Provident Life and Trust is making an unusually careful selection of risks while the Travelers is recklessly taking anything that comes along. The fact is that the Provident Life and Trust is making a specialty of endowment policies. The last annual report of the Provident Life and Trust shows that about 80 per cent of its policies in force are on the endowment plan, while in the case of the Travelers about 30 per cent of its policies in force are on the endowment plan. Now, all insurance experience shows that the mortality on endowment policies is very much lower than on other forms, and a company with 80 per cent of its policies on the endowment form would necessarily have an unusually low mortality rate. Consequently the very favorable mortality of the Provident Life and Trust as compared with the Travelers, which to an ordinary policyholder would seem to mean a much more careful selection on the part of the Provident Life and Trust, really means that the Provident Life and Trust, contrary to the practice of nearly all the other companies, is confining its business very largely to endowment forms. Here, again, a technical knowledge and a knowledge of the special practices of different companies are absolutely essential in order to understand and properly interpret the figures of the Gain and Loss Exhibit.

Fourth, the percentage which the surrender values are of the reserves released on surrendered and lapsed policies is 41.38 in the case of the Travelers and 96.64 in the case of the Provident Savings. Practically all policyholders seeing the figures would conclude that the Travelers gives an unusually small cash surrender value. On the contrary, a comparison of the actual cash surrender values on various policy forms at the end of various years shows that for corresponding policies the cash surrender value of the Travelers is somewhat in excess of that of the Provident Savings. What then is the meaning of this Gain and Loss Exhibit, which makes the Travelers percentage for cash surrender values less than one-half that of the Provident Savings? There are two principal reasons. One is that a large part of the Provident Savings business is on what is known as the preliminary term basis, which makes the reserve exceedingly small in the early years of the policy. The reserve being small, the cash surrender value when compared with the reserve and stated in the form of a percentage is correspondingly large. The other reason is that about six years ago the Travelers placed all of its business on a 3½ per cent reserve basis, notwithstanding the fact that the premium and cash surrender values for its old policies were on a 4½ per cent basis. As the premiums were not changed the actual cash surrender values could not be changed, the result being that the cash surrender values on the Travelers old policies when compared with the present reserve and stated in the form of a percentage give an unusually low figure. Of course, no ordinary policyholder, no ordinary business man, in fact very few insurance men outside of the actuarial departments, are aware of the fact that the Provident Savings is keeping this reserve on the preliminary term plan, and, similarly, very few are aware that the Travelers Insurance Company is keeping all of its business, including some policies issued over thirty-five years ago, on a 3½ per cent reserve basis.

It would seem, therefore, that practically all of the important points brought out by the Gain and Loss Exhibit are of an exceedingly technical character and that besides understanding the technical side of the subject in general one must also be familiar with the different methods of the various companies in order to understand aright the meaning of the Gain and Loss Exhibit and, as has been shown in the particular cases taken up in this memo, the average person of ordinary intelligence studying this Gain and Loss Exhibit carefully, earnestly and with no other object in view except getting at the facts, would probably come to a conclusion in regard to the Travelers Insurance Company on all the

important points shown forth in this exhibit directly contrary to the real situation.

I think the Travelers is the chief sufferer from the misleading character of the Gain and Loss Exhibit, on account of its business being almost entirely non-participating, yet it would be possible to take up every company in the list and show how its real condition is more or less misjudged by the public because the Gain and Loss Exhibit is so technical that the public simply cannot properly understand it.

In the figures for the Gain and Loss Exhibit for the calendar year 1905, published by the Wisconsin Insurance Department, one company which has been in business only a few years and which under ordinary conditions ought to have a mortality rate somewhere around 50 per cent, is credited with a mortality rate of 120 per cent. Special investigation brought out the fact that this company was organized for the purpose of insuring sub-standard lives, and consequently its high mortality is readily explained; yet, nowhere in the Gain and Loss Exhibit or in the entire Wisconsin report is there a single word showing that the company is engaged in insuring sub-standard lives. Publication of the mortality rate of other companies by the Wisconsin Insurance Department alongside of the mortality rate of this company is a positive and deliberate misrepresentation of the situation, and the Department which knowingly publishes such figures in such a misleading way is doing a great injustice to the company concerned; and the Department which publishes such misleading figures unknowingly is not competent to be entrusted with such work.

In the same report in the figures showing the ratio of cash surrender values to reserves released, one company is credited with paying 120 per cent of the reserve in cash surrender values. The average policyholder in seeing such figures would think the company had done wonders, particularly when some other companies did not pay more than 50 per cent of the reserve in the cash surrender values. An investigation of the case, however, showed that this company which paid 120 per cent of the reserve in cash surrender values had a lot of bad business on its books which they wanted to get rid of, and in order to do it offered the policyholders an unusually large cash surrender value away beyond any value given in the policy in order to induce them to surrender their policies.

The column of percentages published in the Gain and Loss Exhibit showing the ratio of interest actually earned to the interest required to maintain the reserve is very misleading in its character. The interest rate used as a reserve basis varies from 3 per cent to 4 per cent. A few companies are entirely on a 4 per cent reserve basis. A few are entirely on a 3 per cent basis. The majority are on a mixed basis running from 3 per cent to 4 per cent, with the larger part of the business on a 3½ per cent basis.

Now it is only necessary to call attention to the fact that if a company actually earns 3½ per cent interest and is on a 3 per cent basis its actual interest earnings will be considerably above the interest required to maintain the reserve, while if the same company is entirely upon a 4 per cent basis its actual interest earnings will be considerably below the amount required to maintain the reserve. The result would be that the entire character of the showing in this percentage column of the Gain and Loss Exhibit would be reversed by changing the reserve basis while the actual interest earnings remained unchanged.

We believe that the above ought to show the dangerous character of the Gain and Loss Exhibit. To give these figures to the public is about as safe as to give a year-old baby a fine assortment of razors to play with. The public cannot correctly interpret them. They do no good and they do much harm.

In view of the above, we ask your careful consideration of the following questions: Does the Gain and Loss Exhibit upon the whole furnish the policyholder and the general public with information or misinformation? Is it a real and reliable aid to the policyholder and the public to gain correct information in regard to the real status of the company, or is it more or less of an estimate, decidedly misleading and altogether too technical a statement to be put in the hands of the general public or, still worse, to be used by the agent of one company to misrepresent the situation of another? This last, in fact, is the principal and almost the only use made of the Gain and Loss Exhibit.

ANNUAL DIVIDEND POLICIES OF THE NEW YORK LIFE

The New York Life intends to enclose the printed slip following with all policies issued on new annual dividend policy forms:

Notice to Policyholders Regarding Dividends.—The insurance law of New York requires that the company shall annually ascertain and distribute the surplus apportionable to all policies issued on and after January 1, 1907. To prevent disappointment, the officers of this company think it proper to state that as policies do not earn any surplus in the first year of their existence, the first dividend which will be paid upon a policy issued in 1906 on the new Annual Dividend form will probably be at its anniversary in 1908.

The attention of fieldmen is called to the blank line in the policy in the paragraph "Annual Dividends":

It is the intention of the company to fill in this blank space with the date of March 31 for all policies issued in January, February and March of any calendar year, and to fill in the premium due date on all policies issued after March 31 in any calendar year. For example: If a policy is issued on December 1, 1906, there will be a dividend on December 1, 1908, and on December 1 of each year thereafter. If a policy is issued on January 2, 1907, there will be a dividend on March 31, 1909, and on March 31 of each year thereafter.

Under the provisions of the new insurance laws of the State of New York, the company must have sufficient time to make up a profit and loss account for the preceding calendar year before the dividend on any policy can be ascertained, and it is considered that three months is a suitable space of time for this purpose.

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, December 20, 1906.

LIFE INSURANCE COMMENT.

With the closing days of the year the various life insurance companies affected by the laws enacted at the last legislative session in New York are whipping their plans into shape, while the agents are about ready to adjust themselves to the new conditions. Many of the changes have already been discounted so that the business of the new year will start without a particularly violent wrench. The question of reform has been so vigorously debated during the past eighteen months that the public is virtually tired of the whole matter, and the agent has merely to go back to the old arguments of the value of life insurance as a protection to the family, and as a bulwark of strength to support a man in his business ventures. In comparing the new forms of policies put forth in accordance with the requirements of the standard policy legislation in New York, it is a matter of regret to note that New York companies cannot issue as liberal forms as hitherto. Nearly every company has had to withdraw some particular feature which favored the policyholder, so that the latter is not materially benefited by the change. One company, for example, granted its policyholders privileges of extension at the end of the first and second years, but under the new law only thirty days of grace is allowed for the payment of the ensuing premium, and should death occur within that period the unpaid premium with interest is deducted, the non-forfeiture section being inapplicable until after three years. Another feature of considerable value in the old contracts was that permitting of a readjustment of the insurance at the end of a given period by the application of the entire reserve, which was available either in cash or could be applied to the purchase of paid-up insurance. The new law does not directly provide for cash surrenders, except through the operation of the loan feature, and permits the company to make a high surrender charge. On the other hand, the companies that are not bound by the New York law have taken advantage of the opportunity to extend the liberal features of their contracts, so far as the policyholders are concerned, thereby giving them a most important advantage when in direct competition with New York companies, even in the home State of the latter.

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A somewhat unexpected outcome of the whole life insurance discussion is the strong drift toward non-participating insurance and the advantages of stock companies in general. When the trouble first became manifest in a company under stock control, it was thought that the outcome would result most favorably for the mutual system of management, but as the investigation proceeded public opinion shifted, and later developments showed that one-man control was much more dangerous in the latter class of companies. The agitation which has characterized the past year in the fight to secure control of the two largest life insurance companies on the mutual plan has also served to strengthen the adherents of the stock plan. They argue that in a stock company the life insurance system is managed as a purely business affair, in that while the policyholders are given all that can possibly be allowed them in the light of experience, the management must at the same time see that the rights of the stockholders are protected and that their capital investment is not placed in

jeopardy. It is, of course, not meant to say that the mutual system is by any means a failure, for there are several companies in existence to-day whose success proves that under proper conditions of management the rights of the members can be most carefully conserved, but the keynote of their success is found in the terms, capable, honest management and freedom from entangling financial alliances. While the laws of a number of States provide for the organization of mutual companies, the records of the past year or two in the establishment of new companies show that the great majority of them have been formed on the stock plan, while many of these companies have announced that they will write nothing but non-participating insurance. Inasmuch as a number of New York companies have been compelled to choose the non-participating plan, it is evident that a much larger proportion of the life insurance of the country will in future be written on that plan, and the companies writing participating business will have to demonstrate their superiority by paying dividends sufficiently large to reduce the cost below the fixed premiums of stock companies.

* * * *

Three States have by legislation prohibited the further issuance of deferred dividend policies, and the National Convention of Insurance Commissioners, through the committee of fifteen, has also placed it under the ban, for among the bills recommended for passage by all States is one prohibiting such forms. It is evident, however, that the companies will not voluntarily give up the scheme, for the plans outlined for the coming year by companies other than those of New York State, show that the deferred dividend still holds its place and will not be abandoned until it is legislated entirely out of existence. As has been repeatedly explained in these columns the system has many advantages when properly conducted, and if the element of forfeiture was entirely eliminated there could be no objection to it whatever. Experience has shown that in the great majority of cases when a dividend is allotted to a policy, and the holder has a choice of options, he invariably takes the cash; not that he actually needs it at the time, but that it seems more tangible than an addition to his policy which will be paid only at its maturity. This is true not only of annual dividend contracts but of those which run for a period of five years, as may readily be seen by a perusal of letters of acknowledgment published by the companies from time to time. The great inducement held out by the deferred dividend plan was that of a large dividend at a certain time, and the policyholder was encouraged to persist in his payments of premiums so that he might benefit largely himself. It is unquestionably true that the majority of men must be encouraged to save, and if their savings are placed beyond their reach so much the better. It may be said that the advantages offered by deferred dividends were equally available under annual dividends, and that is true if the policyholder would do voluntarily what the deferred dividend contract compelled him to do. A combination therefore of the terms of the two contracts would meet the needs of a great majority of persons and prove eminently satisfactory. Such a contract would provide for the annual apportionment of surplus, and its distribution at the end of a given period without forfeiture at any time whether the policy

terminated by death or surrender, it being distinctly understood and agreed that while the dividends were apportioned annually and a statement thereof furnished the policyholder he should not be at liberty to withdraw them until the end of the period fixed in the application, should the contract be then in force. Some companies are issuing such a contract along these lines, and find that it meets the needs of that class of men who have to be induced to save, but who at the same time do not care to forfeit anything if they should be unable to pay the required premiums.

DEVELOPING STRENGTH IN SOLICITING.

[BY A WESTERN AGENT.]

As I am never pressed for subjects, I should not deliberately choose to fill up space with an article such as the following, if it did not seem to me that solicitors are frequently tempted to waste their time by following pseudo-sciences and philosophies. For example, some modern optimists, to call them by a charitable name, have gotten hold of something they have named telepathy. Specifically it is the theme that I can sit in my room and vigorously and persistently think about a man at a distance and by concentration and repeated suggestion compel him to obey my will. Not a few believe in this notion and a few years ago a woman claimed to have caused the death of two prominent Europeans by this method. According to the story, however, she attacked the wrong man finally, and succeeded in destroying herself. Be this as it may, I know a solicitor of exceptional ability, a man who is capable of reporting three or four hundred thousand in new business in a year who took a fancy to this nonsense and attempted to write some large policies by it. He went to a hotel in a city in which his prospect resided and sat down one evening and thought about him very hard for an hour or two. He repeated the experiment every evening for several days and when he went around finally to write the application, was chagrined to find that the prospect had been out of the city for a week. The experiment and its unexpected denouement discouraged him somewhat with this particular principle of the new science, but he still clings, or at least preaches some other principles which are no better.

I will take up the other principles in a moment, but before doing so I wish to call attention to an ordinary law of the mind which will show the folly of trying to write applications by the telepathic method. In the first place, it is impossible for any man to concentrate his mind upon a single idea. If I were addressing a body of trained psychologists I should not need to offer any proof of this statement, but the average reader will probably need "to be shown." Let him, then, take a photograph or anything else which is convenient, and stare at it intently without changing his thought about it and he will notice that it will disappear from his attention. The only way he can keep it before him will be by continually turning it over and by trying to learn something new about it. He must have change and constant development, or he will have no concentration. No class of men in the world observe this law more religiously than actors. When they come upon the stage they enter at one side, take a few steps forward, sit down, get up and walk out at the opposite side of the stage. They change their costumes as often as they dare and make innumerable gestures. The actor who sat still for thirty minutes on the stage would not be seen.

An object must change and develop or the attention cannot concentrate upon it. Therefore, the agent who tries to concentrate his mind upon the idea that a prospect must take insurance simply fails to do it. His mind is simply wandering everywhere while he is undertaking this impossible task, and if he, as an individual, possessed any extraordinary power which enabled him to do it, the prospect would not be influenced because he could not keep his interest in an idea that did not change. Of course I mean that he could not maintain his interest if we grant the absurd assumption that he really knows anything about the agent's telepathic attempt to insure him. Of course we grant no such thing, but if men could be reached through space and without their bodily presence we should be compelled to conduct an interview just as we do in the usual manner in order to produce results. The solicitor in a room five miles away would be compelled to run over his papers, arguments and appeals in the same way that he would if he was facing the prospect or he would fail. If

mere parrot-like repetition of the same idea would accomplish anything he might use the telephone and persistently sing out "You must take a policy, you must take a policy," etc. By this plan he would at least get the ear of the prospect for a minute or two.

However, I have said enough on telepathic soliciting and will now examine one or two other principles of the new miracle-producing science. As I wish to make it clear that I am dealing with facts I will quote some sentences which occur in the minutes of an agents' association. The solicitor who made the address is one of the able producers of the United States and he was trying to expound the wonderful doctrine for the benefit of his fellow agents. He said: "Unless we employ mental force, actively, we shall suffer from it passively. Unless we master it we shall be mastered. There is a positive force and a negative force. We must be taking to ourselves the positive force, or we shall be subject to the negative. The best way to get this power (positive force) is to keep thinking the words that suggest the thing to your mind—force, courage, strength." Here, again, we have the suggestion of trying to keep the mind persistently upon two or three words, which is an impossibility as I trust that I made clear in my discussion of telepathy. Furthermore, is it quibbling to inquire if there is any such thing as negative force? Would not a force, strictly speaking, generally be regarded as something positive? Whether the word is used correctly or not, is of course not important. Neither is the fact that it is impossible to apply this doctrine the point that I am now specially aiming at. It would have been impossible to give such notions any circulation, but for the fact that they have been expressed in very hazy and mystical language and some agents who have been looking for "short cuts" have thought some remarkable virtue was really contained in such words as "positive and negative forces of the mind." The point that I really wish to emphasize is, that even if strength could be developed by chattering a few words over and over, it is an inferior method. There is a much better way and it is that of which I prefer to write.

In the first place, force, either mental or physical, is never created. It is only applied or, as we say, developed. When a man is born in this world, the germ of his possible strength is born with him and when he has reached maturity, which may occur sooner or later in different individuals, he cannot increase it. I have never in any of my writings sought to give the impression that force, strength, character, ability or whatever we may choose to call it, can be created. I never try to furnish recipes for making men over, but I do try to show men how to develop the forces and characters which they already have. Now, the repetition of two or three words over and over, even if it were possible to continue the performance, would develop nothing. The man who wishes to become a musician does not move his fingers incessantly in empty space. He exercises them upon an instrument. The man who would develop the power to write applications cannot do it by repeatedly asserting that he already has it. He must develop it by actual soliciting. A large per cent of men have some power of writing insurance, which, of course, they must bring out by effort.

Now, aside from the ordinary technique of soliciting, which I have often gone over, and shall often go over again, a solicitor may increase his success, provided he has the raw material in the shape of natural ability, by developing more general talents. A minister, for example, who is only capable of preaching one narrow little doctrine will never rise any higher than a small cross-roads church. Whereas, the man who can assimilate sciences and philosophies, can appreciate music, can apply the principles of politics and business may reach the top of his profession. The solicitor who either cannot or will not learn to talk anything but the plain and unvarnished facts of his calling will never write \$100,000 applications. We can only write large applications or applications in large quantities by being able to sympathize with a great variety of men and we can only sympathize with them or arouse their interest in us by having some acquaintance with what they do. Not long ago I had an interview with a printer who is intellectually a blockhead. He knows printing and business and one or two other things and that is about the extent of his intellectual capital. I should never make any progress with him if I did not keep pretty close to subjects that interested him. I happen to know something about printing and printers' materials and I started out by asking him if a book, which lay before us, was printed on im-

ported paper. He was surprised and pleased to find that I knew something about imported papers and we had considerable discussion on the subject. I got into his good graces simply by discussing his habitual interests. Every solicitor must often do that. And the more extensive his knowledge the wider will be his sympathy and consequently the greater his success.

If a solicitor feels an inclination to experiment outside of the technique of his profession, instead of wasting his time upon some modern form of a very ancient superstition, I would recommend that he develop a talent. Instead of trying to repeat meaningless words every day, let him take up some study, art or recreation. Instead of trying to sit for ten minutes without moving a muscle, as some of the pseudo-scientific text books recommend, let him practice self-control by learning to play a game of chess, by making a picture, or by experimenting with electricity. There are no "short cuts" to success except those which nature confers when she gives some persons great natural ability, and it is not only a waste of time, but it is childish for a matured intellect to try to develop power by repeating two or three words. If any man has the time and the inclination for experiments let him take up legitimate psychology. If he will address me through THE SPECTATOR I shall be glad to recommend some text-books which an ambitious and intelligent man can afford to study.

But, finally, someone may object that the statements about "thought force" which I introduced in the early part of my article merely serve to keep up an agent's courage at a critical moment. Very well, they can be greatly improved even for this purpose. If he needs help of this kind, let him set down in writing, from time to time, a concise account of all the difficult and peculiar cases which he has ever successfully handled and put them in the memory with some respect to order. If he has been soliciting ten or fifteen years he ought to have fifty or one hundred such cases. Then when he feels his courage oozing away let him recall the cases and review his former triumphs. He will then be acting in entire accordance with the laws of his own mind, and if this will not sustain his courage nothing will do it.

ILL REPORTS PROMPTLY SQUELCHED.

Last week a man in a certain town, known to be of good character and good habits, who had a prosperous business, who lived as a thrifty man of moderate success should live, died very suddenly. Almost immediately the word went around town that he had left his wife and three small children entirely unprovided for.

Of course, the whole town knew a good deal more about it than the widow herself knew. It happened that the agent of a well-known life insurance company resided in the town, and as a friend of the dead man he felt it his duty to shield his good name and to counteract the erroneous reports that were going about.

So he came forward, and to certain people of the town, whom he knew would be sure to act as effective mediums of the dissemination of news, he said, "Now, see here, let me inform you that Mr. M—— not only left his family with sufficient means to live upon but he has left them well off. He has in my company policies aggregating so many thousand dollars (mentioning a large sum), all of which will be promptly paid on proof of death."

This promptly squelched the rumors that were going about, and the agent felt that he had not only done justice to the deceased by shielding his good name, but that he had done a good piece of advertising for his company, as he undoubtedly did.

LAWYERS AS INSURERS.

Coming to the city on the train, one morning recently, in company with an eminent lawyer, the writer asked him his opinion as to the attitude of lawyers, as a class, toward life insurance and the tendency of lawyers to insure.

He said: "I think that lawyers have a clearer understanding than any other class of people of life insurance, what it is, its operation and its benefits, because, first, their minds have been judicially trained to analyze; and, second, because they are, nowadays, from necessity, business men; which, with their legal knowledge, fits them to pass

judgment upon an investment, to understand the terms and provisions of policies, and, in common parlance, to know a good thing when they see it.

"I think lawyers, as a class, are very favorable toward life insurance for themselves, not only because they recognize in it a good investment, but because the average lawyer is a liberal spender; lives well, takes life as it goes and enjoys the good things thereof. Therefore, he is apt to live pretty close up to his income. Consequently, unless he is independently well-to-do, or has some source of income other than his regular practice, he is not likely to have much provision for his dependents in case he should be taken away.

"Realizing the desirability and the justice of providing for his family, he avails himself of life insurance as a safe and sure means of making such provision.

"I think you will find that lawyers are liberal patrons of life insurance."

MAN A CURIOUS CREATURE.

Man is a curious creature. He is also several kinds of a fool, sometimes, the number of kinds depending upon the vocabulary of the one who is engaged in calling him names.

He doesn't want life insurance.

Why?

Oh, "just because"—because, probably, it will cause him to exert himself a little more, or to deny himself some small luxury.

Anyway, he can't afford to insure now. He will wait until he is making more money.

He is sick, and he promises himself and his wife that he will insure just as soon as he gets well. When he gets well his courage returns, and he isn't afraid of dying. So he continues to defer taking insurance.

Then a neighbor dies and leaves his family penniless. "Great Scott! but that is terrible. I ought to insure; but I can't spare the money now."

Makes some money, imagines himself a financier. Invests in some of the stock of the Iron Pyrites Gold Mining Company. Passes the life insurance agent; promise number "23," and goes merrily on.

Gold mine stock fails to materialize. Money gone; drifts along until he reaches an age when he really cannot afford to insure.

Verily, man that is born of a woman is queer and full of promises.

KEEPING ONE CLEAR ASSET.

Recently an agent approached a man of affairs and introduced the question of life insurance, asking the man if he would consider a contract which his company was offering.

Much to his surprise the man said, "Yes, I'll consider it and I'll insure."

Then he went on to explain that he was the administrator of an estate, in which case there were warring relatives, charges and counter charges—each being jealous of the others. Law suit upon law suit had "eaten up" nearly all the estate, he said, until there promised to be little left, of what was a liberal estate, for anybody.

"I don't expect," said the man, "that anything of the kind will occur when my estate is settled, but my observations in connection with the settlement of the estate which I have been administering has been an object-lesson. One can't tell what may happen after he is gone, and I think every man, with or without an estate, should insure. I am going to protect my wife with something which will be safe from creditors and greedy and designing relatives."

PREMIUM RATES OF THE FIDELITY MUTUAL.

In order to meet the new statutory conditions the Fidelity Mutual Life has found it necessary to readjust its premium charges on some forms of contract. The following are specimens of the new rates, which will be effective with the commencement of 1907:

Age.	Ord. Life.	20-Pay.	15-Pay.	10-Pay.	20-Yr. End.	15-Yr. End.	10-Yr. End.
25...	\$20.88	\$30.43	\$36.76	\$49.73	\$48.18	\$66.25	\$103.37
35...	27.12	36.78	44.04	59.28	50.11	67.92	104.84
45...	38.16	46.69	54.98	72.97	54.99	71.86	108.07
55...	59.00	64.67	73.28	93.75	66.63	82.71	116.81
60...	75.84	79.48	87.54	108.49			

ORDINARY POLICIES OF THE METROPOLITAN LIFE.

The Metropolitan Life announces that in order to keep within the limitations of expense imposed by the Armstrong laws it will reduce commissions on ordinary policies, and hereafter issue none but non-participating policies. Accordingly, intermediate and special class policies, the latter being for sub-standard risks, will be issued at premiums based on the accumulated experience under those forms. On the ordinary forms the company announces some reduction of premiums. The forms to be issued are the standard forms of New York on ordinary and limited payment life, endowment and term plans. The company has also asked permission to issue three additional plans, being present forms under new names as follows: Modified endowment with life option, formerly optional life or endowment; guaranteed increased endowment, formerly guaranteed dividend and life, with reduced premium after twenty years, formerly reduced premium life.

NO SHRINKAGE IN VALUE.

In striking contrast to the unwise ones who realize upon their life policies to purchase, or half purchase automobiles, is a certain Boston merchant who, besides having provided liberally for his family and given his children college education (and he is not a large man, commercially), has something like \$50,000 of good, sound life insurance. This sound business man advocates investment in life insurance in preference to all other forms, because he believes that a general business depression is sure to come, before many years, when all industrial securities and real estate securities will shrink. His reasoning is that life insurance is the only security which will not, cannot shrink in a time of serious business depression, hence his advocacy of life insurance.

NEW POLICIES OF THE PHOENIX MUTUAL.

Agents of the Phoenix Mutual Life of Hartford have been supplied with sample copies of the new forms to be issued after January 1 next. They contain the following liberal features: Low premiums, definite non-forfeiture values, thirty days grace, optional settlements, incontestable after one year; no restrictions from date of issue except as to suicide during the first policy year, annual dividends, accelerative endowment, automatic extended insurance and liberal surrender values for cash or paid-up insurance, while the loan values, if used, will not be called.

INVESTMENTS BALANCED.

The writer knows a man who is acquiring property, buying choice lots and building houses, financing his operations by borrowing from a co-operative bank, who is keeping on the safe side, clearing up his property as he goes along so that he is fast becoming a large owner of profitable real estate.

But he keeps the aggregate of his money obligations balanced, or covered with life insurance, so that if he dies there will be ample cash to meet his obligations, leaving his property unencumbered and clear for his widow's support and comfort.

NEW FORMS OF THE MUTUAL LIFE OF NEW YORK.

Agents of the Mutual Life of New York have been supplied with sample copies of the policy contracts to be issued after January 1. A circular letter gives the following explanations:

Under the law slight changes or variations in wording are permissible for policies issued outside of New York State, and the enclosed are intended for that purpose in the domestic field. They are still "Standard" forms and we call your attention to the changes and the necessity therefor.

Consideration Clause.—The following words "(The receipt of which is hereby acknowledged)" have been added in order that the policy itself, as in the case of present forms, should be a receipt for the first premium payment.

"Table of Loans and Surrender Values."—The following clause has been added beneath the table. "(The amount of loans stated in the table in the policy as being obtainable at the end of any policy-year, can be obtained at any time during such policy-year provided all premiums due prior to the end of such policy-year shall have been duly paid.)"

The heading of the first column of the table "After policy has been in force," does not properly fit the loan column. Taken literally it would

mean that the right to borrow could be claimed only at the end of the year on the date when the premium for the succeeding year is due. As a matter of fact the loan values have been calculated on the basis of year's premiums paid and inasmuch as no premium or interest is deducted from the loan, the explanatory note seemed necessary. The company will, after three full years' premiums have been paid, loan under the conditions stated, the first loan value quoted in the policy.

These changes, which will be readily understood, are for the purpose of simplifying or explaining the contract, can not appear in the forms for New York State, but it is expected that the explanatory clause in reference to loans can be stamped or in some way attached to such contracts, if not a part thereof. The consideration clause can not be changed in the New York State forms and a premium receipt must necessarily be issued from the home office with each and every policy.

Limited payment life policies will be issued with premium-paying periods of 10, 15, 20, 25 and 30 years.

Endowments will be issued for periods of 10, 15, 20, 25 and 30 years, with continuous premiums; and the premium-paying periods of the 15 and 20-year plans may be limited to 10 years.

Term policies will be issued for periods of 5, 10, 15 and 20 years.

The above forms are all that have been so far authorized by the Superintendent of Insurance of this State, but single-premium insurance and annuity forms will shortly be presented for his consideration and approval.

IF I WERE A LIFE INSURANCE AGENT TO-DAY

1. I would remember that my work is more needed by my fellow citizens right now than for a long time past. Women will be widowed and children orphaned, and old age will bring as many to dependence in the future as formerly. Nothing but life insurance can meet the needs thus created. Yet speculation and misinformation have turned the thoughts of many away from insurance just at the time when their plentiful earnings would enable them to make this provision. I would have truth and logic on my side and with them I would be man enough to overcome any opposition.

2. I would remember that no business was ever advertised so widely as life insurance has been for the last two years. With all the criticism of the methods employed in certain quarters, for the institution of life insurance there has been only praise. The interest which people have taken in insurance is proof of the value they set on it.

3. I would emphasize the fact that in spite of all the onslaughts made upon some companies, the stability of not one has been affected in the least. Here is practical proof of the truth that old line life insurance protection under present laws justifies the people's trust in it.

4. I would talk protection rather than investment, but would never forget that insurance against death only is not complete. There is growing economic need for protection against the dependence of old age and of total permanent disability.

5. I would not try to follow more than one occupation, and I would not let problems in other fields distract me from my own. My business would be selling life insurance; I would attend to that strictly and energetically.

6. I would remember that 1905 and 1906 have strengthened me because they have tested and developed my powers, and because they have practically eliminated my most feared competitor, the rebater.

7. Finally, I would be successful, for if I went about my work in this spirit in these times, I could not be otherwise. Thousands of insurance solicitors are to-day proving the truth of this statement.—Fidelity Bulletin.

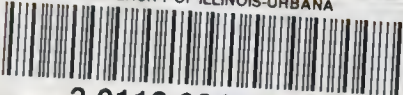
SINGLENESSE OF THOUGHT.

L. Samuel, general manager of the Oregon Life, recently sent the following in a circular letter to his agents. The lesson conveyed is applicable to all field workers.

Singleness of thought is the key to success in every line of business. I met a man the other day whom I had not seen for sometime, and in my conversation with him I learned that he has just gone into the honey business, namely, selling a particular brand of honey to the trade. He mentioned the brand to me at least a dozen times during our conversation, so that it impressed itself on my mind, and he also mentioned that grocers, in general, were taking kindly to this particular brand of honey. When I got home that evening my wife called my attention to it that I had a severe cold, which, in my eagerness to write business, I had not paid much attention to, and she suggested that there was nothing as good for a cold as lemon and honey. I naturally told her that if our grocer kept the particular brand of honey, which my acquaintance had impressed on my memory, I should like to try it above every other honey. It just made an additional customer for this honey, and it is good honey. My acquaintance spoke so enthusiastically about the honey that I became a convert to his belief that there was nothing as good as that, in that line, in existence. This man was selling honey and he talked about nothing else in the few minutes I had with him, as if it was the only honey on earth. Oregon life policies are sold very much in the same way by its agents who are enthusiastic. They talk Oregon Life whenever they have a chance to do it. They talk nothing else.

The life insurance world is by no means coming to an end, but it is looking upward and forward. Reconstruction to some extent is a matter of necessity, but the signs of the times are hopeful. Business is so active as to be actually congested. This is especially true of transportation. If life insurance is not active, it is the fault of those who are engaged in it. The companies generally, as might have been expected, will not make a record as favorable in the matter of volume of new business as in the previous year, but nevertheless 1906 will make a very creditable showing.—Fidelity Bulletin.

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